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OF THE FAR EAST

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THE MISSING LINK OF the Urga mystery has now been found. The recent appointment of General Chang Tso-ling, High Inspecting Commissioner of Manchuria, as High Pacification Commissioner of both Inner and Outer Mongolia, supplies it and explains the uncertain attitude on the part of the Mukden General. Now that he has Mongolia also under his rule Baron Ungern's little pastime will soon be over and Outer Mongolia will return to the arms of Peking repented. His new appointment confers upon him such power with regard to Mongolian affairs that he need not refer any of his acts to the Central government at Peking. Really he is the "uncrowned king" of Manchuria and Mongolia, where his authority is undisputed. The Urga mystery is exploded. General Chang's desire to increase his power and influence in Mongolia as one reason for it, given in an article by S. K. Stierlin, which was published in *The Review* on March 5, has proved to be true. The writer of the article stated that the circumstances surrounding the capture of Urga on February 2, by Baron Ungern's invading force were mysterious, and then proceeded to show why they were so. "General Chang Chin-hui, who was ordered by the Central government three or four months ago to send reinforcements to strengthen the Chinese garrison in the city," he said, "did nothing to obey its wish, and his chief, General Chang Tso-ling, Inspecting Commissioner of Manchuria, perhaps knew in December that such would be the fate of Urga, and yet took no action to guard against it. The Urga mystery is heightened when it is learned that Baron Ungern, who effected the capture of the city, is a righthand man and a most faithful follower of Semenoff, the redoubtable Cossack chief; that Semenoff has been on friendly terms with Chang Tso-ling and that Chang Tso-ling has been entrusted by Peking with the responsibility of preserving peace and order in Urga. One word from Chang Tso-ling, and Semenoff would command

Baron Ungern to withdraw in no time and Baron Ungern would obey Semenoff's order implicitly. Instead of nipping the trouble in the bud, Chang allowed it to develop, and instead of doing the simplest and easiest thing under the circumstances in order to cope with the grave situation that has already arisen, advocated the sending of an expeditionary force; the appointment of Chang Chin-hui to be High Garrison Commissioner of Mongolia; the despatch of Feng Yu-hsiang's mixed brigade by Tsao Kun, Inspecting Commissioner of Chihli, Honan and Shantung, to assist in the campaign; the purchase of a large number of motor trucks for transportation purposes; and the enlisting of military aids from Heilungkiang and Sinkiang."

DISASTROUS consequences followed the delay on the part of the officers entrusted with the task of recapturing of Urga and the carrying out the order of the Central government. Many millions of dollars worth of property was destroyed and thousands of lives lost. Just before the sack of the city, the Chinese Chamber of Commerce, according to Dr. Yoshida, a Japanese physician, completed a census showing that the Chinese population in Urga was about 70,000. Of this number, 20,000 reached rail points before the fighting around the city began and were saved, and 6,000 others are still in Urga where they have had to pay a high tribute in cash for protection. The remaining number has not been accounted for and many of the people may have been slain by order of the wife of the Living Buddha, who is atrocious to the extreme and arrogant beyond description. In addition, many Chinese soldiers were killed while engaged in repulsing the invasion of the Russian reactionaries. It will take many years for the once prosperous Chinese merchants to re-establish their business in Urga, even if the city is recaptured by General Chang Tso-ling's force. This little amusement of a Chinese militarist by having Urga lost and then trying to recapture it has cost the nation dearly and will cost it more before it is over. It is an expensive coup and a dangerous one. Baron Ungern may have so strengthened his position in Outer Mongolia that he cannot easily be forced to give it up irrespective of whatever might have been the preliminary understanding. The last of the Urga episode is not yet heard. Unexpected and new developments in the country may even surprise General Chang, who may be clever in dealing with his fellow country men, but no match for the Russians like Semenoff and Ungern. The Mongols, who have enjoyed their freedom even for a brief period, are another factor to be considered in the plan to reconquer Outer Mongolia for China. They are being ill-treated by the Russians, according to reports from Urga, but the question is whether they would be better treated under Chinese rule. If General Chang Tso-ling, after having recovered Urga, administers Mongolian affairs in a liberal spirit he will have a great future in the Gobi desert. The Mandate which setted the political ambition of the Mukden General was issued on May 30 and may be here quoted in full as it illustrates that he is able to obtain what he wants:

"THE Mongolian trouble was caused by a small section of Mongolian bandits who, in conjunction with Russian reactionaries, attempted to coerce the Living Buddha. These outlaws disturbed the peace on the borders of Mongolia, looted towns and villages, and killed the inhabitants. Detailed reports of the losses suffered by the inhabitants have been submitted to the government, and the people generally are indignant at these outrages. The Mongolian princes and people have suffered severely from lawless acts and the government a few days ago called the Mongolian princes into conference to discuss ways and means of dealing with the situation. As a result of this conference the government has been requested to take immediate steps and send an expeditionary force to Mongolia. The President has, therefore, decided on a general plan for the suppression of the rebels. Marshal Chang Tso-ling, Inspecting Commissioner of the Three Eastern Provinces, has been appointed Commissioner-General for Mongolia, in addition to his post. Full powers have been vested in him to carry out the expedition. In view of the close relations, military and otherwise, between Mongolia and the three special administrative districts of Jehol, Suiyuan and Charhar, the Tartar-Generals of these districts have been placed under the command of the new Commissioner-General for Mongolia. With regard to reinforcements and other measures for the carrying out of the expedition, Marshal Tsao Kun, Inspecting Commissioner of Chihli, Honan and Shantung, and General Wang Chan-yuan, Inspecting Commissioner of Hupeh and Hunan, are requested to advise and assist Marshal Chang Tso-ling as the occasion arises. The President is confident that these loyal Generals will soon restore peace and order in Mongolia and save the country from her difficulties."

OF LATE SEVERAL LETTERS have been received from friends of *The Review* in South China complaining of the unfair and critical attitude of this publication towards Dr. Sun Yat-sen's new government at Canton. Supporters of Dr. Sun declare that any attempt to discredit him in the eyes of the public is an attempt to destroy the most enlightened element in the whole of China. They consider the Canton President as a worthy representative

of the new thoughts, modern ideas and ideals of government. They hold the belief that eventually he will succeed in laying a firm foundation for a national self-government. They seek the support of all those who mean well toward China in the furtherance of Dr. Sun's ambition. They urge the immediate cessation of hostile comments upon the new Southern government. They attribute unfavorable views of Canton to the ignorance of the real situation in that city. While steadfast in holding to its own views on the political situation in China in general and judiciously revising them in the light of current events, *The Review* always welcomes articles giving views of the government in South China as well as views of the government in North China. The publication of an article, "*Impressions from Canton*", in the present issue, which has been specially written at the request of *The Review* by Dr. John Dewey, shows that it is striving to be fair to both sides. As an impartial writer and careful observer, Dr. Dewey is scarcely to be surpassed. His article may throw a new light upon the situation at Canton, and it is regretable that so little information from the South appears in the press although the personnel of the new government is known to be of new men, men who have received Western training. If the public misunderstands the Canton situation, the immediate followers of Dr. Sun are more to blame than any one else. Instead of complaining privately of the unfair attitude of the press, they should inform the public of the constructive works which they have planned or are carrying out, of new schemes formulated to benefit the people, and of the policy of the new government. Hitherto more news about Canton, as is pointed out by Dr. Dewey, has come from the North than from the South. The Southern government appears to be in need of a publicity bureau to handle legitimate publicity matters.

THE time for the unification of China is still far away, and it may perhaps be in keeping with the time for Dr. Sun to build a strong self-government organization first in the province of Kwangtung to be a member of the federation of provinces which appears to be the future form of government for China. Not only in Kwangtung but also in other provinces the movement for provincial self-government is becoming more popular every day. In Hunan a provincial constitution has been drafted, and is waiting to be approved by the legislative organ. In Kiangsu the leading people are endeavoring to make the self-government movement a success. The people in Hupeh, Kiangsi and Anhwei are likewise doing their best to have a voice in the administration of provincial affairs. With the weakening of the authority of the Central government the provinces are becoming more independent, and the movement for provincial self-government has thereby a better chance for success. It is only logical that when all the provinces of China have self-governing organizations completed they will attempt to unite themselves into a federation in order to look after the country's national interests. Whoever can bring the provinces into the federation will become an important man in China. Such views are now prevailing in the provinces, and are entitled to much attention. Whether Dr. Sun can be the leader of the movement remains to be seen, but it is certain that there is a great scope for him in that direction. The time for the Central government to bring about the unification of the country by means of force appears to have passed, and the one way of securing the union is to encourage local autonomy and provincial self-government. The Central government will ingratiate itself with those provinces which are desirous of working out a self-government system but are unable to accomplish the object on account of various reasons by helping them to attain the aim. It is a suggestion well worthy of the consideration of the central authorities.

A COMPLETE LIST OF the suggestions that have been made to the Chinese for the development of China's railways would make interesting and instructive reading. There might also be a touch of humor in such a list. The Chinese have been advised, for instance, to build railways with a six foot gauge. They have been advised to build passenger cars with double decks, having one floor above the other. The Chinese have been advised to build no railways in the parts of the country that are well supplied with canals and to concentrate upon railways where canals are not possible. Finally they have been advised by at least one writer to build no railways at all, to accept the fact that the railway is a wasteful and out-of-date means of transportation, and to go in for roads and motor trucks as a cheaper, more efficient and more convenient substitute for the obsolete railway. The recent experience of the United States with motor trucks and the present relations between the motor truck and the railway in America are dealt with in a business report that has recently been published. "One of the common sights today in suburban Boston", says this report, "is an immense number of loaded trucks, with or without 'trailers', on their way to nearby mills with their loads of wool, cotton and other raw materials or returning from thence with bales or boxes of textiles, shoes or what not. This business has increased by leaps and bounds during the past winter owing to the mild weather. The railroads are feeling this competition very keenly as the business was always profitable.

Years ago students of transportation problems regarded the improvement of water routes as the probable solution of handling heavy freight economically. Without state or municipal aid of any kind, a system of transportation has come into vogue that has taken away a goodly part of the railroads' best business and that must inevitably act as a check upon all plans for increasing freight rates." A railway expert would probably find room for disagreement upon one point. President Harding in his message to Congress had one or two things to say about reckless expenditures for highway construction and it must be true that public expenditure upon roads has had the effect of state aid to the motor truck transportation business. Nevertheless the fact seems clear that during the past few years a system of transportation has grown up in New England that is a formidable competitor of the railways for local traffic. The success of the motor truck in America has its lesson for railway builders of China and for these who are interested in the traffic problems of Shanghai.

Impressions from Canton

BY JOHN DEWEY

IT happened that a recent lecturing trip to the South brought us to Canton during the first week of May. That week was a period of anniversaries and celebrations. It began on Sunday with the labor demonstration of May first; then there followed in quick succession the anniversary of the May 4th movement (the students revolt on Peking of two years ago), the inauguration of Sun Yat-sen as president, the dedication of the memorial monument to the seventy-two patriots who formed the vanguard of the revolution ten years ago, and the observance of the Day of National Shame—the signing of the Twenty-One Demands. It was a wonderful week from the tourists' point of view, moving and colorful in spite of rains. It also gave an unusual opportunity to witness the temper of the people. In addition, there were conversations with most of the leaders, political, administrative and intellectual, of the new movement. These conversations were not formal interviews and what was said was not intended for publication. But perhaps they gave all the better on that account a just view of the situation. At all events, the events and the conversations gave quite a different impression of the situation as a whole from that which was in the back of my head when I went to Canton, and I am glad to respond to the request of the editors of *The Weekly Review* for an account of my impressions.

The first noteworthy impression was that obtained from foreigners on the ground, such as were impartial and had good opportunities for knowledge. In my contact they were practically unanimous in feeling some resentment at the prevailing attitude in the North. They said we had the wrong dope and were being misled by interested parties; that the municipal and provincial governments were so far as their information went much the most promising in China, and many went so far as to say that in their judgment were the only governments in China which are considering the welfare of the people and not the power and pockets of officials and which are dominated by men who have not only good intentions but also a modern outlook and an intelligent training for the work of administration. This testimony was naturally impressive. It made one willing to revise the prejudice with which one had come to the situation based not so much on belief to the contrary as upon a feeling that Canton was furthering the division of China at a time when union was most needed.

Then one was lead to consider the source of the information which had led to one's antecedent conviction or prejudice. And hence there was derived one impression which is more than an impression, a perception of a fact. A large portion of the present difficulty between the North and South is the product of scanty and distorted information. The English papers in Hongkong are devoted to local news and that of the home country. They have next to no general Chinese news and with one exception but little from neighboring Canton in spite of two trains and many boats each way every day. The paper published in English in Canton gives much more attention to Peking and has the *Chung Mei* service, but neither it nor the Chinese papers have direct telegraphic service. The news is two weeks old at least. It was not possible for example in Canton to get any accurate information about the status of the teachers' strike in Peking. In reflecting upon the news from the South which I had read in northern newspapers, I could not see that the situation was much better as regards *amount* of information while in quality it was worse; for while there were occasional telegraphic items, they were often distorted for propaganda purposes.

In general I should say that every reader in the North ought to be on his guard against "news" reports from Canton. For the most part, they are pure propaganda. This propaganda has two sources. One, of course, is the Peking government interests. The other source is British. Sun Yat-sen and his closest adherents have long been anti-British. The British authorities would perhaps be a little more than human if they were capable of taking a wholly disinterested view of political developments in Canton. But there is also a motive for discrediting the Canton provincial government in the Cassell Collieries Contract which was

signed with the former Kwangsi militarists, and which the present government is too honest, too public spirited and too intelligent to recognize. Powerful Hongkong financial and political interests have a direct interest in the downfall of the present government and the restoration of the corrupt, inefficient and untrained old regime. This fact must be remembered in reading all "news" from Canton that comes via Hongkong sources.

For example, soon after my return I read in a fair minded English Peking paper an article directed against the local Canton government in which one of the leading arguments against Canton was the restoration of the gambling tax. Doubtless the writer believed what he wrote. But it would be difficult to find a statement wider of the facts. Not only is there is no revenue from gambling but there is probably no town in China where the click of the Sparrow dominoes is so little heard. The old government had not only pocketed every available source of revenue but had collected and made away with taxes for eighteen months in advance. Finance is the crux of the whole situation, and assuredly most governments in China would have considered that, since their existence was at stake, the end justified the means. But the present provincial government heroically renounced an annual revenue of eight millions in order to save the people from the demoralization of the gambling industry and attendant corruption in administration. Nobody who knows Governor Chen Chiung-ming believes he will permit its re-establishment; foreigners who look with a lenient eye upon raising revenues from poppy growing on the ground that they enable tuchuns to pay their soldiers and thereby keep order, ought in justice to condone his act if he utilized gaming as a source of public funds.

Another example of misrepresentation came to my eye today.

A newspaper report talked about the great labor unrest in Canton and the efforts of the mechanics of Canton to institute an eight hour day. In most countries the attempt of laborers to secure an eight hour day is looked upon as legitimate or even praiseworthy. But, after exaggerating the labor unrest in Canton, this news-propaganda item went on to connect this move with the "bolshevistic" tendencies of the Canton government. Such methods are clearly intended merely to create an emotional prejudice on the part of careless readers against the government. Governor Chen's and Dr. Sun's administrations are both socialistic in the sense that they desire to retain governmental ownership of natural resources and of the basic industries that tend to become natural monopolies under private ownership. There is a double object, to preserve these things for the people and to procure revenue for the government. The attempt is just as bolshevistic as was Roosevelt's conservation movement in the United States. At the same time the authorities recognize the need for foreign capital in developing the province and would welcome foreign capitalists who have no political ends in view and who are willing to cooperate honestly on a basis of reasonable profit.

I have emphasized this matter of circulation of distorted news because it seems to me the key to the situation. Without a change in the character of the news reports it is impossible for those at a distance to have the basis for either an intelligent approval or disapproval of the new governments. I add, however, a brief enumeration of the reforms which the new provincial and municipal governments have got under way. The abolition of gambling and gambling revenue already mentioned; the continuation of the policy of modernizing the city and improving its transportation facilities; the creation of a municipal government on modern lines—in general, the American commission form—with trained administrators, the only one of the kind in China; definite and workable plans for popular participation in local government, partly through personal voting, partly by suffrage of guilds—the latter being the "soviet" plan heralded by the adverse press; the reform of the magistracies and magistrates throughout the province, including a plan for a school for the training of magistrates; the establishment of a department of public health and sanitation under the care of the one of the very best trained men in public health in China; the formation of an educational commission of men trained in education who are working day and night for the improvement of the schools of the city and province, public education having steadily gone backward during the militaristic regime of the last five years. Definite plans are made for the establishment of universal primary education in Canton, girls as well as boys, to be completed in three stages, beginning with a district already selected where the plan can be tested out; in addition, there is a plan for a university and there are plans for the establishment of industrial schools throughout the province. These reforms and others which might be mentioned are local and provincial. They touch the claims for sympathy and support of Governor Chen and his adherents rather than the claims of the new so-called national government under Dr. Sun. While the reports of active friction between the latter and Governor Chen are exaggerated, it is no secret that many of the supporters of the latter, even among those who are now giving loyal support to Dr. Sun, are not at all convinced of the wisdom of the step taken in establishing a new national government, many thinking the opportune time has not yet come. It

is not necessary for a visitor to be more confident or more attached than the men who are on the ground, so I will only make one point about the new government.

Even those who are not heartily in favor of the move use one argument which it is hard to answer. They point out a striking inconsistency in the position of foreigners in the North and Chinese liberals who oppose the Southern national government on the ground that the Northern government represents the unity of China, while the Southern government introduces division. They point to the lack of unity in the North and through the country at large, and say that at most they are not creating division but merely acting upon the division that already exists. They point to the constant denunciations from foreign language newspapers in the North of the militaristic constitution of Peking and its servile subjection to the interference of provincial tuchuns, who meantime are quarrelling among themselves so that war among them is freely predicted even by supporters of the Peking government. They point to the fact that the sole hope of the Peking government in perpetuating itself, to say nothing of unifying the country, is through the use of the militaristic force which is so universally denounced. And then they ask: What is the consistency in coddling, supporting and idealizing from the standpoint of foreign relations the very government which is denounced as corrupt, inefficient and militaristic from the domestic point of view? I confess that I for one have no answer to this question. It is amusing to read in one issue of a newspaper a strong attack on the Peking government as hopeless, and then read in another issue an attack upon the Southern government for not abjectly giving the country over to the complete control of the Northern government for the sake of "unity."

In short, the local and provincial governments at Canton deserve the hearty support of every well wisher of China. The "national" government merits at least a reasonably benevolent neutrality. By this I mean that the attempts of the Northern government to suppress it by military force should be frowned upon. Success would not mean unification. It would only mean that Kwantung would come again under the rule of the brutal militarists of Kwangsi in comparison with whom the Anfuites were gentlemen and scholars. If the Sun government has no function in the present economy of China it will fall of its own weight. Let it alone and see what happens. If good provincial self-government is established in a number of Southern provinces following the lead of Kwantung, there will in time be a federation which may serve as the nucleus of a real, and not a paper or a military, unification of China.

The Present Situation of the Narcotics Trade in China

BY A. SOWERBY

The present situation of the narcotics traffic in China can be considered under three heads:

(1) Native production of poppy and opium.
(2) Imported opium.
(3) Importation of morphia, heroin, cocaine and similar drugs.

The cultivation of poppy, and the use and sale of opium, are forbidden by the present laws in China, and mandates have been issued, and orders sent to the provincial governors enforcing the laws. The charge cannot be brought against either the Peking or Canton governments of encouraging the cultivation of poppy that has recently been carried on, although it is frequently asserted that some of the leading ministers have themselves been opium smokers. The internicine strife that has been carried on between the different military leaders for factional or personal ambitions has been the main cause for the reactionary cultivation of opium. In this respect the southern provinces have been much worse than the northern provinces. In the North the greatest offender has been Chen Shu Fan, who ever since he achieved power has been in constant strife with several of the other military commanders. The governor turned out by Chen Shu Fan, Lu Chien Chang, afterwards shot by Hsu Shu Cheng in the back yard of his yamen at Tientsin, was himself a great opium smoker, and it was expected that Chen Shu Fan would take a different line, but the need for maintaining his troops led Chen to enforce the cultivation of opium, and the Province of Shensi has suffered in consequence, while opium prepared there has overflowed into other provinces, especially Honan. The other provinces where opium has been largely cultivated Szechuen, Kweichow, Yunnan, and Fukien. In Fukien the southern part of the province has produced more opium than the northern part under the control of Peking but under either government the cultivation of poppy was enforced, the object being to enrich the military commanders and to pay the troops.

There has been a monotonous sameness in the way the cultivation of poppy has been enforced. Mandates were issued forbidding the planting of poppy and stating the fine per mou that would be demanded. Captains and lieutenants were then sent with their soldiers to see that the poppy was planted and the fine paid, or a bargain was made with the farmers and village elders. Wealthy men in the neighborhood were subject to extortation, and often when the opium was ripe the soldiers would visit the place a second time and seize a large amount of it. All this has been accompanied with violence whenever the villagers have opposed the military. Men have been shot, or tortured, their clothes dipped in oil and fired, women and girls have been defiled, and villages have been burnt down. The British and American Legations have protested but in vain, the military leaders obey no orders but their own, and do as they please. Liu Tsen Hou, at present dividing the rule and representing Peking in Szechuen, is responsible for the murder by his soldiers of fourteen men of Shensi who acting under orders were destroying the poppy at Han Chung Fu. Tang Chi Yao, Yunnan, put out an order forbidding the cultivation of poppy, especially mentioning the churches as under this prohibition, and at the same time had his opium

store in Yunnanfu. In addition to the poppy cultivated in these provinces it was cultivated in some places in other provinces. At Ho Chien Fu in Chihli it was freely grown, but the report received by the International Anti-Opium Association ran; "this is Feng Kuo Chang's home, what can you expect?" In Manchuria, on the hills and along the Sungari River, in Sui Yuan, and around Jehol, poppy has been freely cultivated. Some excuse has been made by cultivators in Yunnan and Kweichow for growing poppy because a great deal of opium is produced in Burma and is smuggled across the borders, and they argue that Chinese silver is flowing out of their provinces to pay for this opium and it would be wiser to grow the poppy themselves, making profits, and keeping the silver in China. The amount of opium produced in these provinces, and smuggled down the Yang Tzu Kiang must be very great, and has created serious difficulties in the Customs services. In 1919 the Chinese Customs seized 48,575 lbs. of opium (21 tons, 11 cwt., 2 qrs., 19 lbs.), but in 1920 the amounts seized were 96,627 lbs. (45 tons, 2 cwt., 2 qrs., 27 lbs.), the increase in the amounts seized in 1920, being almost double the amounts seized in the previous year, must be largely due to the opium seized enroute from the western provinces to the eastern. As a natural consequence those interested in maintaining the India trade, and the Hongkong monopoly point out that China is breaking the agreement made with the British government, and there is no sufficient reason for the exclusion of Indian opium. Although the assertion has been made that China is now growing as much poppy as in the early years of this century, the situation is happily not so bad, for in large districts where previously opium was produced none is produced now. It was estimated by good authorities that in 1905 the amount produced in China was at least sixfold, if not eight fold, the amount imported, and in spite of the present reactionary movement the total amount must fall very far below that amount.

(2) *Imported Opium.* The importation of opium into China being illegal there are necessarily no published trade reports from which the actual amounts of imported opium can be known, but a few facts will show that the amount must be very considerable. Opium is grown by the hill tribes in Burma and it has been said that many Chinese farmers cross the Burmese border and cultivate the opium finding it an easy matter to smuggle large amounts across the frontier. No figures are available to indicate the amounts thus brought into China. Although again unable to produce exact figures it is also certain that a large amount of opium reaches China through the opium monopolies of Singapore, Hongkong, and Macao. It was stated by the International Anti-Opium Association in a memorandum presented to the British Minister that 45 percent of the revenues of the Straits Settlements was derived from opium. Hongkong in 1919 imported from India 540 cases of opium on government account, and 469 cases privately, of which 469 cases were re-exported to Macao, the Macao Opium Monopoly being dependent on the amounts received from Hongkong. It is impossible that Hongkong uses annually 540 cases for consumption in the island, although from the constant cases of possession of opium illegally brought before the Hongkong Courts of Justice, a large amount is consumed by the islanders, and again in Macao certainly the amounts imported are not all used there. Seizures have been made of opium sent from Macao to the United States. The large revenues derived from opium in the Straits Settlements also indicate a trade extending far beyond the settlements. Undoubtedly there is a large ring of smugglers who find it very profitable and not difficult to export large amounts of opium from these places and import them into China along the extended coast line. *The Monthly Summary* of the Foreign Commerce of the United States gives these figures concerning the exportation of opium: For the year ending June 1919: "quantity, 10571 lbs, value $297,763." The succeeding year there was an enormous increase in the amount exported, the figures being, "quantity, 230,398 lbs, value $1,645,520," and of this amount we are informed that opium to the value of over $1,400,000 was exported to Japan. As the importation of opium into Japan is forbidden it is not unreasonable to suppose that the amount of opium sent to Japan was re-shipped at Kobe and found its way to China. With regard to the Opium Monopoly at Kuantung, the *Japan Weekly Chronicle* of February 24, 1921, reports in a debate in the House of Representative Mr. Hondo and Nomura Karoku stated that while the government figures reported the profits at Yen 1,800,000 the profits really were Yen 4,842,700. The government indignantly repudiated the charge of concealment of the profits made,but did not deny that they amounted to nearly two million yen. The *Oil, Paint and Drug Reporter* of September 27, 1920, published at Tokyo, states that "a Chinese firm's smuggling of opium and morphine has just been exposed on the arrival of a Japanese steamer chartered by it to carry drugs worth a million yen to a port near Hankow. The large seizures of smuggled opium reported from time to time all prove that very large amounts of opium are smuggled into China. The trade must be an extensive and profitable one or it could not survive the frequent heavy losses caused by the seizure of such large amounts of opium. The *Peking Daily News* of March 4, quotes from the *Yi Shih Pao* which says that on February 24, several Japanese merchants had been arrested, and that $60,000 worth of morphia was discovered among their effects, and, later, papers and telegrams were found proving that $300,000 of opium had been smuggled into China. One of the men arrested, "Mr. Tahsi-Chi-Chi-lang", had spent more than ten years in Manchuria where he had established the South Manchurian Agricultural Company, which had profited by opium smuggling to the extent of $3,600,000. We do not guarantee the accuracy of the statements made by the *Yi Shih Pao*, but on the other hand not only is there no reason for discrediting the statement, and since there is an extremely large traffic in opium carried on by Japanese in Manchuria it is quite believable.

(3) *Importation of morphia, heroin, cocaine, and similar drugs.* The suppression of the opium traffic in China, reducing the profits of the opium merchants, was met by those engaged in the traffic by importing large quantities of morphia, cocaine and similar drugs into China. The large number of addicts, who could no longer obtain opium except at exorbitant prices, and illicitly, provided an unlimited number of customers ready to take advantage of purchasing any narcotic that would satisfy their craving, and thus there was at once an open market for the sale of these drugs. Morphia, being the alkaloid of opium that contained the narcotic principle, in taking the place of opium for the addict's consumption rapidly increased the evil. The craving for morphia once acquired has a far stronger hold of the victim than that created by opium, and the methods used to obtain sales rapidly swept enormous numbers of fresh victims into the net, many of them in absolute ignorance of the danger

into which they were entrapped, and with not the least intention of becoming addicts.

The amount of morphia imported into China through Japan, according to Japanese official returns reached 600,226 ozs. in 1917. The memorandum presented to the British Minister, Sir Beilby Alston by the International Anti—Opium Association, Peking, show that while the morphia imported into Japan during the five years 1903-07 amounted to 120,926 ozs. in the five years 1915-19 the amounts imported were 2,091,779 ozs., and it is supposed that Japan manufactures enough morphia for its own consumption: so that this enormous supply of morphia was all intended for sale to the Chinese. The question has often been asked, from whence do these supplies of morphia come? The Peking International Association for several months paid heavy lawyers fees that the cases of opium and morphia smuggling brought before the Consular Courts at Shanghai might be watched, and the names of the manufacturers discovered, also the Chinese Customs have obligingly sent the labels taken from the parcels containing morphia to the secretary of the association at Peking, and it appears that the morphia is chiefly supplied by some firms of manufacturing chemists in London, Edinburgh, Great Britain, and in Philadelphia and New York in the United States, firms of good standing and high repute. Lately also the names of Continental manufacturers appear, and it seems that superflous quantities of these narcotics left over from war supplies are being dumped into China. An advertising reporter published in Tokyo recently offered, in addition to large supplies of morphia, 1,000 tons of cocaine for sale.

The British government attempted to prevent the exportation of morphia to the Far East, but it appeared that large supplies were shipped to New York, and thence transferred in bond across the United States. The British government approached the United States government and met with a sympathetic response and on the export of morphia through the United States being checked large orders for morphia came from Norway, and on the British government refusing to allow exports of morphia to Norway to exceed pre-war supplies, orders came from Mexico. Undoubtedly there is an international ring of speculators and traders engaged in pushing the sale of narcotics, and at the present time they appear to be specially busy in flooding China and the United States, not only with opium, but with morphia, heroin, cocaine, and other narcotics.

There are two methods used by the traders in these dangerous drugs; one is by the direct sale of morphia, heroin, and cocaine by hypodermic injections, and the other by the manufacture and sale of numerous preparations containing these drugs. The Japanese must be held largely responsible for the practice of selling hypodermic injections. There is no proof that the Japanese government has purposely sent hundreds of these traders to spread their sales in China, with the object of degrading and demoralizing the Chinese people, but sufficient care has not taken to prevent them from flooding China. The International Anti-Opium Association at its Peking, Tientsin, and Tsinanfu branches has had abundant proof of the activities of these traders. Some of them will travel from village to village, offering to relieve pain and cure disease by hypodermic injections, and often making no charge for the first injections given. The immediate results of the injection would in many cases appears satisfactory, and before long many had received injections, the small charges were made, and afterwards the charges increased, and in a few weeks several addicts had been formed, ensuring a certainty of demand.

The editor of the *Peking and Tientsin Times* published last year a "Black List" of the Chinese, Japanese, and Russian shops engaged in this nefarious business, and, while some of the Japanese offenders were convicted and deported, many remained. The other method is that of preparing different preparations, chiefly in the form of pills, which are advertised as panaceas, and are widely sold. At times seizures have been made at the manufactories. The manufactory is carried on with as much secrecy as possible, but the factories are widespread, and numerous, and the pills are generally put up in an attractive form. The narcotic contained in these pills will often relieve pain, and to the patient appears to be of such value that large purchases are freely taken and, unaware of what is happening, the patient becomes a victim to the habit. The strongest complaints have been received from Honan and Shansi concerning this business. One of the commonest forms prepared is known as the I Li Chin Tan. Apparently there is no definite recipe for this pill, and some specimens seized contained no morphia, while other specimens have a large percentage of the drug. It seems probable that harmless preparations are first sold, and then under the same name a drugged pill is sold. Well to do families in Honan are reported to be extensively engaged in this business. A large trade and many manufactories also exist in Chihli and Shansi, especially along the Cheng T'ai Rail, way and the Shansi branch of the International Anti-Opium Association together with the Peking and Tientsin associations are closely watching this traffic, but while it is well known what is going on, up to the present time it has been impossible to obtain that evidence that gives certain proof, and will lead to the conviction of the guilty.

The Chinese Customs has seized and examined a large number of medical preparations and has obligingly placed these lists in the hands of the Peking Anti-Opium Association. A brief examination of these lists will show the multiple character of this business, and the subtle and dishonest methods adopted to the injury of the Chinese people.

While the above statements show that the traffic in narcotics is very active, yet, on the other hand, there is a growing determination in all civilized nations to bring this narcotic trade under complete and efficient control. During the last two years the Anti-Opium Associations have taken on fresh life, while in China the International Anti-Opium Association, started simultaneously in Peking, Shanghai, and Tientsin, has been unceasing in its efforts. The matter is now before the League of Nations, which is pledged to bring about the enforcement of the Hague Opium Convention of 1912-13, and a committee has been appointed especially to deal with this traffic. Great Britain, the United States, and Japan have all passed fresh and more stringent acts, or have issued new regulations, and a new measure has been brought before the American Congress at Washington. The Japanese government replying to representations made by the International Anti-Opium Association, Peking, has definitely promised to abolish the opium monopolies at Tsingtao and in the leased territory of Kuantung. The Peking association has also determined this year to make special efforts to obtain the suppression of the opium monopolies of Hongkong and Singapore, and will attempt to obtain from the British and Indian governments the suppression of

the opium monopoly of the Indian government. The recent action of the British, American, and Japanese governments, it is thought will very materially effect a large diminution in the amount of the narcotics imported into China, although there are large stocks that the trade will attempt to dispose of by any means within its power.

"The Harding Administration and a China Policy"*

BY STEPHEN A. BARKER

THE entry of the United States into a consortium for the aid of China and the solution of the Far Eastern Question calls for a redefinition and reassertion of American foreign policy as regards China.

The withdrawal of the United States from the six power consortium in 1913 and the quiescent period of American policy during the Great War put American diplomacy at a disadvantage in the Orient. With the exit of the United States, the only country which was favorable to China and who aided her against her aggressors, went the liberal attitude of the loan group and in its place came depreciatory moves towards the integrity of China.

Now, with the entrance of the United States into the new consortium and the gradual return to pre-war conditions, America finds her interest once more directed toward China and her attention called to the complex political situation which has developed there during her absence. The first consideration of the new administration in outlining a China policy is to maintain its policy of respect for the national integrity and political entity of China and a just treatment of all nations there concerned.

But—shall the United States countenance the domination of a backward majority by an aggressive minority; or shall she give her support to the weaker and encourage their growth toward political and economic independence?

In the formulation of a China policy the present administration should take into consideration the phenomenal rise of Japan and her relations with China. Previous to 1885 Korea had been nominally a vassal state of China, the Korean king refusing to treat with foreigners, as he was a vassal of China, and the Emperor of China refusing to assume responsibility for any action of his pseudo-vassal. On account of the destruction of Japanese legation buildings during Korean uprisings in 1884, the Chino-Japanese treaty of 1885 came into effect, whereby China and Japan agreed to withdraw from Korea and to previously agree on concerted action in Korea thereafter. Between the years of 1885-1894 Korean history was filled with intrigues between factions which were aided from sources outside of the country. In 1894 China sent troops into Korea to restore order, having given Japan notice of her actions, and Japan countered by sending an equal number of troops without an invitation to help preserve order in an independent country. China remonstrated against such action and sent in more troops, which Japan construed as opposition to her actions and attacked China. The Chinese were wholly defeated in the short war which was concluded by the treaty of Shimonoseki. By this treaty Japan recognized the total independence of Korea, acquired the island of Formosa and the Pescadores, the southern extremity of the Liaotung peninsula and a large indemnity.

Japan thus acquired a big and potentially valuable colony and had eliminated China from Korea, leaving that country a free field for Japanese expansion, either by making it a barrier against Russia or by necessitating the assumption of control by Japan. Japan, by her attempt to seize the Liaotung peninsula, gave cause for the "concession grabbing" period which began two years later.

It is well to consider here the demoralization of the Chinese Empire caused by the attempted seizure of the Liaotung peninsula by Japan, which was marked from the first by complete disregard on the part of European nations of the principle of China's integrity, a period characterized by a general scramble for concessions and the establishment of "Spheres of Influence."

Shortly after the signing of the treaty of Shimonoseki, France asked for and got exclusive commercial privileges in China. Naturally Great Britain could not be thus passed by, so to offset concessions made to France, China granted permission to England to open some new trade routes and ports in South China. As a reward for her services in forcing the Japanese to restore the Liaotung peninsula to China. Russia felt obliged to make herself at home in the very region from which she had helped eject Japan. Thus far the powers had been busy clinching their concessions of commercial and industrial preponderance, but the murder of two German missionaries in Shantung in 1897 gave Germany an excuse to demand a naval station and a base for military actions in the Far East. The German fleet took possession of Kiachow bay and succeeded in getting from China a lease on the bay and its environs for a period of ninety-nine years, together with railway and mining rights.

In rapid succession Russia and France secured similar leases in the Liaotung peninsula and in the region of Hangchow bay, respectively.

Great Britain arranged for a lease of Wei-hai Wei, a port, situated midway between the leases of Germany and Russia. "Non-alienation" agreements were also secured from China by the powers, wherby each extracted from China a promise that she would not lease certain districts to any other power.

Japan had thus gotten a foothold in China equal to that of the European powers. The next step in her rise was the formulation of the Anglo-Japanese Alliance in 1902 in which both powers agreed to maintain the territorial integrity of China and Korea, the *status quo*, the peace in the Far East and the "Open Door." This alliance, entered by England under duress at the time of the Boer War, stamped the approval of a Western power upon Japan and made possible her venture into Manchuria, with her subsequent forward policies.

As a result of the Anglo-Japanese Alliance came the Russo-Japanese War in 1904-1905, brought on by the clash of interests of the two powers in Manchuria, the territory of a third power. Russia, defeated on land and sea, concluded the war by the Treaty of Portsmouth in September, 1905. By the terms of the treaty Russia transferred her special rights and possessions,-including the lease of the Liaotung peninsula, the railway lines and the coal mines-in South Manchuria to Japan.

During the closing months of the Russo-Japanese War the Japanese renewed the Anglo-Japanese Alliance, omitting, though, the clause referring to the

* The winning editorial essay of the 1921 competition for *The Review* prize open to students in the School of Journalism, University of Missouri, Columbia, Mo., U. S. A. Selected by Ogden Reid, editor of *The New York Tribune.*

maintainence of the integrity of Korea. Henceforward it would be only a matter of time until Japan had swallowed up Korea.

In 1906 Marquis Ito was made Japanese Resident-General in Korea and in 1907 the Korean representatives at the Hague were denied a hearing at the instigations of the Resident-General. In 1908 Prince Ito publicly stated that it was no part of Japan's purpose to annex Korea and in the next year he declare that Korea must be "amalgamated" with Japan. The following year (1910) saw the passing of Korea into the hands of Japan when the helpless Emperor of Korea signed the treaty ceding the whole of his country to Japan, who five years before had solemnly guaranteed the integrity of his throne.

When the Great War broke out in 1914, Japan felt that she should attack the German garrison at Tsingtao in compliance with her agreement with England, which called for mutual effort to preserve peace in the Orient. Therefore, desirous of maintaining the *status quo* and the peace of the Far East. Japan demanded the unconditional and immediate withdrawal of Germany from the Far East and the transfer of German interests in that region to Japan with the view of their eventual restoration to China. In the face of the struggle China remained neutral, through the efforts of the Japanese, and lost the opportunity to recover her *irredentia* without Japanese aid. Japan declared that she had no ulterior motives in her seizure of Tsingtao; but after the resort to force to eject Germany from Tsingtao, she declared "that for the duration of the War, she would administer in Tsingtao and at the conclusion of the War open negotiations with China."

Soon after the seizure of Tsingtao the true policy of the Japanese in China manifested itself. It was in fact, a repetition of the policy which Japan had employed in Korea prior to the annexation of that country to Japan in 1910. On January 18, 1915, the Japanese stated their policy by handing Yuan Shih-Kai, president of China, a text of twenty-one demands. These demands were presented in the form of a secret negotiation but were inadvertently brought to light. They were of such a nature as to render China a political and economic vassal of Japan, which would be in line with the enforcement of Japanese "rights" in China, as urged by Japanese statesmen. Shantung was alluded to with about as much deference in the Twenty-One Demands as is the horse in a horse trade.

Japan demanded that China assent to any decision arrived at between Japan and Germany. The demands went far beyond Shantung and Manchuria,

Japan demanded special privileges in Eastern Inner Mongolia, the Fukien province, and in the Yangtze valley. Furthermore it was demanded that China get the assent of Japan before granting concessions along the Chinese coast to any foreign power. Section V. of the demands caused such a reaction in China that it was later interpreted by the Japanese Minister as "wishes" of Japan and action of the articles temporarily postponed. The most outstanding of this section of demands are that; China employ Japanese advisers and Japanese police in the larger cities; that Japan must be given first refusal of loans for constructive works within China, such as shipyards, railroads, etc, and secure Japan's assent to any such program; that China adapt her military standards to that of Japan and buy at least 50 percent of her equipment from Japan or establish a jointly-worked Sino-Japanese arsenal in China. Such is the policy of Japan in China today.

It would be well to consider the "Open Door" policy which the United States applied in its relations with the Orient.

The acquisition of the Philippines in 1898 brought the United States into the Far East and gave her a need for a Far Eastern policy.

The period of concession grabbing in China was just over and the United States was desirous of formulating a policy with China which would apply advantageously for all powers concerned in that country and at the same time respect and preserve the political entity and territorial integrity of China. The "Spheres of Influence." having been recognised as a permanent institution, had to be taken into consideration in the formulation of a policy. In 1899 Secretary Hay sent to the diplomatic representatives at London, Paris, Berlin, St. Petersburg. Tokio and Rome instructions to advise the governments to which they were accredited of the hope that they would make "formal declaration of an 'Open Door' policy in the territories held by them in China." An outline of the program drafted by Secretary Hay was: Non-interference with any treaty port or vested interest within any so-called "sphere of influence" held by that country in China; the Chinese treaty tariff should apply to all merchandise landed or shipped to any port (except free ports) within any sphere of influence and that Chinese officials shall collect leviable duties; no discrimination between nationalities as regards railroad rates or harbor dues within any sphere of influence or at any ports within the same.

In due time all of the governments addressed returned favorable replies, which implied that they had entered into mutual agreement with the United States to preserve the commercial status quo and to refrain from measures calculated to destroy equality of opportunity in their so-called "spheres of influence". Japan affirmed this policy at the time of its formulation and reaffirmed it in the Anglo-Japanese Alliance of 1901, in the Portsmouth Treaty of 1905,in a special convention between France and Japan in 1907, in a special convention between Russia and Japan in 1907, in the Root-Takahira Agreement with the United States in 1908 and at the renewal of the Anglo-Japanese Alliance in 1911.

But—What is the policy of Japan in China today?

The Twenty-One Demands were thrust upon China in 1915 while the rest of the world was engaged in a titanic struggle in Europe and, with few modifications, China was forced to comply with Japan's wishes.

By these demands Japan has renewed the exclusive "sphere of influence" policy in China which tend to oppose the Open Door, as examples have shown that trade, other than that of the Japanese, decreases in regions of Japanese political control. Japan is using her military supremacy in the Far East to secure for herself the foreign trade of China and the sole benefit of the development of the natural resources of that country,

What will be the American policy in China in the future? Any policy of the United States in that country must assume the principles of fair play, of equal opportunity, and respect for the rights of weaker nations and backward peoples.

What is the matter with the Open Door policy? It embodies these principles. It was ratified by six powers at the time of formulation, including Japan, and many times since then. Then what is the trouble with it? It lacks enforcement. Enforcement of the,

Open Door policy means the cooperation of the powers which ratified it.

The policy of America *must* be that of the Open Door and its enforcement. The Hay Doctrine must hold preponderance over the policy of "imperative necessity." Any attempt to abandon the Open Door would be a sign of weakness prompted by timidity and cowardice. The powers must agree on some practical method of cooperation in finance and development to stop and prevent the evasion of the Open Door. No real problem is ever solved by avoidance. The United States must pay her share of the cost and take her part of the responsibility. The time has come for a showdown.

America must go into China, with all that it means, or stay out, with all that this means.

The policy of the United States must be one in cooperation with other powers for the aid of China along the lines of political, commercial and industrial development. The Chinese are not able to work out the solution of their problem. Indeed, it will only be by individual sacrifice of the powers having interests within China that China will be started along the lines of national development.

A joint agreement of the nations that the peace of the Far East could not be "separately and secretly disturbed" by any power would enable China to turn to its internal problems of development. It would result in the reduction of the Chinese military forces and allow China to devote the upkeep cost of the army to industrial development and improvement.

Abolition of "extra-territority" and the restoration of local administrative autonomy throughout China, with the supervision of an international tribunal, would encourage the Chinese along the lines of political development.

The nationalization and international neutralization of all railways within China would do much to insure the success of the Open Door.

The restoration of the *"cinq pour cents effectif"* and tariff autonomy to China, under reciprocal conditions whereby China's fiscal administration will be gradually restored, is also necessary to avoid commercial discriminations in different 'spheres' of China. According to Article VI of the Protocol of 1901, the tariff rate, an effective five percent, was set on all imports of China.

In 1911 the tariff was 4.02 percent and continued to sink until it stood at 2.89 percent in 1917, a drop of 47 percent of the original 5 percent. This process was an evasion of the Open Door. On account of the depression of the 5 precent tariff income, China is forced to tax domestic trade more heavily than foreign commerce and to retain those harassing levies which are an obstacle alike to her foreign and domestic commercial expansion. Tariff autonomy must be restored to China so that she may formulate and put into force an economic policy which is in harmony with the interests of her people.

The United States must stand for the placing of the "concessions" of the powers in China under an international tribunal and allow the Open Door to apply to all. It must oppose the development of the natural resources of China by individual powers having concessions there and promote the development of China's resources by the Chinese in regions free from foreign spheres of influence,

The development of China's natural resources by the Chinese will be equally advantageous to China and the rest of the world. Development of industry will bring trade. China has the natural resources necessary for a great industrial development. She has immense deposits of coal and iron whose proximity will make development easy and profitable. Development of natural resources by China will make the observance of the Open Door compulsory, but the development of the resources of China by an individual power, other than China will endanger the policy of equal opportunity and the Open Door.

Upon the American policy in the Orient depends the destiny of China and the future peace of the Far East. Cooperation of the treaty powers with China will result in a peaceful existence of all parties in that country. Competition of these powers in China will result in the institution of a policy of balance of power in the Far East and the dangers attached to such an institution.

The contracting parties will have to treat one another with equal respect and consideration. The injustices, inequalities and inconsistences of the past must be abolished and a rational bases of mutual intercourse substituted---Such is the Open Door.

Statistical Information Regarding Principal Chinese Banks

Compiled BY HSU TSANG-SHUI

Editor-in-chief of The Bankers' Weekly.

Name of Bank	Date of Establishment	Head Office	Authorized Capital.	Paid-up Capital.
			Yuan ($)	Yuan ($)
Bank of China	1912	Peking	60,000,000	12,279,800
Bank of Communications	1907	Peking	15,000,000	7,500,000
National Commercial Bank, Ltd.	1907	Shanghai	2,500,000	2,500,000
The Chekiang Industrial Bank, Ltd.	1909	Hangchow	1,000,000	710,300
The Shanghai Commercial & Savings Bank, Ltd.	1915	Shanghai	1,000,000	1,000,000
Yienyieh Commercial Bank	1915	Peking	5,000,000	3,500,000
Chung Foo Union Bank	1916	Tientsin	2,000,000	1,500,000
Young Brothers Banking Corporation	1914	Chungking	1,000,000	1,000,000
Ningpo Commercial Bank,	1908	Shanghai	Tls. 1,500,000	Tls. 649,825
Chung Hwa Commercial & Savings Bank, Ltd.	1912	Shanghai	250,000	250,000
The Bank of Canton, Ltd.	1912	Hongkong	6,329,984	6,329 984
Kincheng Banking Corporation	1917	Tientsin	5 000.000	4,500,000
Sinhua Savings Bank	1914	Peking	5,000,000	1,250,000
The Bank of East Asia, Ltd.	1918	Hongkong	2,000,000	2 000,000
The Continental Bank	1917	Tientsien	2,000,000	2,000,000
Tung Lai Bank..	1918	Tsingtao	200,000	200,000
Yung Hung Banking Corporation	1918	Shanghai	500,000	250,000
The National Industrial Bank of China	1919	Tientsin	20,000,000	2,500,000
Tung Lu Bank Commercial & Savings	1919	Peking	2,000,000	1,000,000

Commercial Bank of China	1898	Shanghai	Tls.	5,000,000	Tls.	2,500,000
Kiangsu Bank	1912	Shanghai		1,000,000		600,000
Shantung Bank	1913	Tsinanfu		5,000,000		1,306,500
Chang-chow Commercial Bank, Ltd	1916	Changchow		300,000		100,000
Wah Foo Commercial Bank	1917	Shanghai		1,000,000		458,500
The Peking Commercial Bank	1918	Peking		1,000,000		500,000
Wu Tsuh Bank	1918	Peking		1,000,000		421,500
The Industrial & Commercial Bank of Shantung	1918	Tsinanfu		2,000,000		520,000
The Dai Wen Agricultural & Industrial Bank	1918	Peking		400,000		200,000
The Sing Hung Bank	1919	Peking		1,000,000		1,000,000
Ta Sun Bank	1919	Tientsin		2,000,000		600,000
Taoiyih Banking Corporation	1919	Hangchow		300 000		300,000
Soochow Ying Hong	1920	Soochow		500,000		
Hwa Dah Commercial and Savings Bank, Ltd	1920	Shanghai		1,000,000		500,000
Tsung Lee Commercial & Savings Bank, Ltd	1919	Shanghai		500,000		500,000
The Hwa Foong Bank	1920	Shanghai		600,000		210,000
The Commercial Guarantee Bank of Chihli	1910	Tientsin		6,000,000		2,000,000
Ta-Chung Bank	1919	Chungking		1,500 000		1,500,000
The Industrial development Bank of China	1920	Peking		5 000 000		2,500,000
Hwei Hai Industrial Bank	1920	Nantungchow		5,000,000		1,250,000
The Modern Citizen's Bank	1920	Shanghai		1,500,000		375 000
Fu Wah Savings Bank, Ltd	1920	Changchow		200,000		66,666
The China Specie Bank, Ltd	1920	Hongkong	(£)	1,000,000	(£)	500,000
China Banking Corporation	1920	Philippine	Peso	10,000,000	Peso	2,500,000
Sze Hai Tong Banking & Insurance Co., Ltd	1906	Singapore		2 000,000		2,000,000
The Ho Hong Bank, Ltd		Singapore		20,000,000		4,000,000
Bank of Manchuria	1920	Harbin		8,000 000		4,380,000
Dah Foon Savings Bank, Ltd	1919	Shanghai		100.000		
I-Tung Commercial Bank, Ltd	1919	Changchun		1,000,000		250,000
Agricultural Savings Bank	1916	Weihaiwei		500,000		255,500
The Amoy Commercial Bank, Ltd	1920	Amoy		1,200,000		600,000
Ming Wha Commercial & Savings Bank, Ltd	1920	Peking		2 000,000		750,000
Kiangsi Bank	1921	Nanchang		1,000.000		250,000
Shansi Provincial Bank	1919	Taiyuan		3,000,000		1,219,800

Name of Bank.	Reserve Fund. Yuan ($)	Deposits. Yuan ($)	Advances. Yuan ($)	Cash In Hand. Yuan ($)	Cash At Bankers Yuan ($)	Net Profit for the Year Yuan ($).
Bank of China	5,978,425	190,252,297	178,429,264	15,615,492		4,206,121
Bank of Communications	3,543,828	64,260,024	61,938,175	31,487,312	28,027,360	3,007,968
National Commercial Bank, Ltd	500,865	14,957,007	7,977,121	2,015,894	4,560,270	266,806
The Chekiang Industrial Bank, Ltd	133,316	6,612,077	5,209,843	694,116	2,334,130	291,609
The Shanghai Commercial & Savings Bank, Ltd	280,000	10,613,451	6,406,251	1,205,932	3,917,352	406,505
Yienyieh Commercial Bank	1,600,000	19,187,845	18,008,241	1,405,117	4,993,200	1,655,132
Chung Foo Union Bank	124,000	3,575,925	3,095,992	424,677	796,084	284 850
Young Brothers Banking Corporation	505,764	3,827,044	4,504,429	606,842		474,000
Ningpo Commercial Bank	Tls. 412,990	Tls. 7,032,613	Tls. 4,607,355	Tls. 978,979	Tls. 1,453,575	Tls. 272,121
Chung Hwa Commercial & Savings Bank, Ltd	119,616	1,743,192	1,413,914	398 523	280,272	114,885
The Bank of Canton, Ltd	400,000	9,954,742	8,834,804	1,772,961		1,149,597
Kincheng Banking Corporation	360,000	12,470,408	8,805,598	2,874,633	3,751,522	898,699
Sinhua Savings Bank	453,000	4,806,181	6,191,015	301,956	1,686,662	696,676
The Bank of East Asia, Ltd	500,000	6,332,633	2,774,892	2,050,420	3,631,362	643,749
The Continental Bank	291,123	4,936,568	4,035,646	232,895	2,174,658	441,331
Tung Lai Bank	177,000	9,754,261	6,551,333	208,652	1,910,081	360,540
Yung Hung Banking Corporation	105,600	1,117,123	1,223,095	53,644	351,931	98,527
The National Industrial Bank of China	240,516	3,844,503	3,007,650	48,528	2,814 130	576,346
Tung Lu Bank Commercial & Savings	669,803	1,628,181	2,261,707	236,212	517,918	753,015
Commercial Bank of China	Tls. 1,390,787	Tls. 6,260,772	Tls 7,850,623	Tls. 2,502,980		Tls. 383,661
Kiangsu Bank	209,852	2,481,847	2,579,198	348,491	319,920	135,088
Shantung Bank	81,348	4,536,289	4,865,818	1,552,990		257,951
Changchow Commercial Bank	4,001	260,287	275,757	21,746	26,524	14,370
Wah Foo Commercial Bank	14,009	2,423,242	1,915,077	251,794	632,969	92,764
The Peking Commercial Bank	135,000	2,636,009	2,635,499	243,564	170,794	255,841
Wu Tsuh Bank	153,753	1,056,369	991,605	65,598	393,738	226,524
The Industrial & Commercial Bank of Shantung	32,352	1,717,736	1,339,396	248,639	430,272	118,160
The Dai Wen Agricultural and Commercial Bank	55,428	343,407	182,234	26,446	150,046	125,252
The Sing Hung Bank	170,000	3,030,744	3,935 194	262,501	1,096,106	504,561
Ta Sun Bank	143,470	4,236,753	2,756,240	31,375	2,087,980	243,436
Taoiyih Banking Corporation	10,400	172,515	353,220	23,865	91,953	32,778
Soochow Ying Hong		178,064	182,712	9,267	1,517	308
Hwa Dah Commercial & Savings Bank, Ltd	11,000	754,286	1,145,640	151,662	35,611	28,881
Tsung Lee Commercial & Savings Bank, Ltd		2,019,881	1,674,950	203,269	278,363	46,857
The Hwa Foong Bank		260,461	388,403	30,101	11,768	16,278
The Commercial Guarantee Bank of Chihli	101,069	4,117 321	4,373,274	66,596	1,519,953	156,504
Ta Chung Bank	77,884	2,569,639	1,183,191	441,070		220,000
Hwa Hai Industrial Bank	8,900	888,899	1,268,614	145,527	131 501	43,641
I-Tung Commercial Bank, Ltd	10,634	338,994	473,445	8,496	8,994	52,257

Bank-Notes in Circulation.

Bank of China $	Year	Bank of Communications Tls.
1,061,636	1912 (1)	793,558
5,020,995	1913 (2)	4,498,762
16,398,178	1914 (3)	5,957,627
38,449,228	1915 (4)	24,863,110
46,437,234	1916 (5)	21,297,891
		$
72,984,307	1917 (6)	28,603,836
52,170,299	1918 (7)	35,184,563
61,860,088	1919 (8)	29 272,653
66,884,103	1920 (9)	39,170,192

The Trade of China 1920

BY J. W. H. FERGUSON
Statistical Secretary, Chinese Maritime Customs
(*Concluded from last week*)

Raw Cotton.—The 1920 cotton crop was, on the whole, below the average, particularly in the Chihli and Hupeh provinces, and, in a milder degree, in Shensi and Shantung. Owing to prolonged drought, the crop in some of the Chihli cotton districts was a total failure, while in other parts it only reached some 60 percent of a yearly average production. The shortage thus caused in the supplies available for the local mills was made good by large importations from India, where a fair crop, coupled with the depressed state of the world market and the absence of Japan as a buyer, had kept prices at a low level. The situation is further illustrated by the fact that the exportation of raw cotton from China diminished from 1,072,000 piculs in 1919 to 376,000 piculs. At the same time the importation shows an increase from 239,000 piculs in 1919 to 678,000 piculs. This decrease in the export of raw cotton is accounted for by the curtailment of purchases on the part of Japan, which, owing to the disastrous fall in the yarn market, imported in 1920 only 220,312 piculs of Chinese cotton, as compared with 912,897 piculs in 1919 and 1,212,554 piculs in 1918. Although the universal financial stringency and the deflation in the values of all commercial commodities are likely to exert a depressing influence for some time, the cotton industry in China may be said to be in a prosperous condition, as is evidenced by the continued expansion in the capacity of the existing mills, both as regards spindles and looms. On the July 31 1920 there were 1,280,036 active spindles in operation in China, and important increases are being projected. The cotton used in these mills is mostly Chinese, a few of the foreign mills consume Indian cotton, which, however, does not appear to find favor with the Chinese mills. Owing to the very low prices of Indian cotton as compared with those for Chinese, it seems likely that Chinese mills will in future use the Indian variety to a greater extent than in the past.

Sesamum Seed.—The trade in sesamum seed was not very brisk in 1920, and the export figures have declined from 2,838,504 piculs in 1919 to 2,056,240 piculs. Prices in Europe declined from 70s. to 36s. per hundredweight in August, recovered to about 47s., but dropped steadily after that, and at the close of the year stood at about 30s. As the falling exchange compensated to a large exent for the decline in gold prices, the markets in China did not fluctuate so much. At the beginning of the year prices in China were near Tls. 8 per picul, which, owing to the small demand, had gradually receded to Tls. 6.50 towards the end of the year. The 1919 autumn crop had been disposed of before the 1920 yield was harvested, and only normal quantities were carried forward. The 1920 crop is below the average, owing to the drought in North China, and the quality arriving from the affected districts shows a rather lean seed. Of the new crop, only about one-third had been marketed at the end of 1920; but as sesamum seed is one of those commodities which cannot easily be dispensed with, and as stocks in Europe are not excessive, the prospects for this article are not as gloomy as the low price level would indicate. The new year is therefore likely to see a revival of the trade at higher rates. The present low freight rates may react beneficially on the seed market, which depends principally on the demand from Europe, where the oil is extracted and used as a substitute for other oils in preparing salad oils, for the manufacture of artificial butter, and in the extraction of perfumes. The residue is utilized in soapmaking and as a lubricant, while the seed-cake is used as a fertilizer.

Metals and Minerals.—It is very satisfactory to be able to note that the export of metals and minerals made greater strides in 1920 than during the previous year, although, considering the vast resources at the disposal of the country which are only awaiting development, the quantites are still infinitesimal. All the items in this group, with the exception of copper ingots and slabs, quicksilver, tin compound, and zinc (spelter), registered considerabe increases. Among the most notable are antimony (regulus, crude, and ore), which fell off in 1919 but has now fully recovered, increasing from 147,541 piculs in 1919 to 258,504 piculs; lead and lead ore, which made a remarkable advance from 2,448 piculs in 1919 to 44,989 piculs, and iron ore, the exportation of which amounted to 11, 292,407 piculs, as against 10,589,375 piculs, in 1919. The export of ores not separately enumerated in the Customs returns amounted in 1920 to 507,856 piculs, valued at Hk. Tls. 1,564,653 and comprised bismuth, 1,496 piculs; copper, 3,410 piculs; manganese, 418, 725 piculs; molybdenum, 271 piculs; wolfram, 69,273 piculs; and asbestos, 86 piculs.

Seed Oils.—That the exportation of bean oil in 1920 decreased by some 648,000 piculs has already been remarked under the heading "Beans and Bean Products," and it is regretable that the other varieties of seed oil did not fare any better. Groundnut oil which follows bean oil in importance as an article of export and which is chiefly exported to Japan, America, and Hongkong, came down from 1,224,173 piculs, in 1919 to 826,272 piculs while the exportation of sesamum seed oil in 1920 could reach only 3,728 piculs—an important decrease if compared with the 37,755 piculs exported in the year before. The usual reasons, such as absence of demand, tightness of money, etc., must here also be held responsible for this state of affairs. America, which imported 25,782 piculs of sesamum seed oil from China in 1919 took only 20 piculs in 1920, and the export to Japan diminished during these two years from 3,324 to 73 piculs.

Wood Oil.—the exportation of which in 1919 reached the record figure of 613,455 piculs, registered only 540,716 piculs. Exports of this commodity to Canada declined from 128,793 piculs in 1919 to 5,459 piculs, and to Great Britatn, from 46,448 to 28,211 piculs; America, on the other hand, increased her purchases by some 70,000 piculs, thus taking 379,952 piculs, in all, while Germany entered as a buyer in the market to the extent of 16,216 piculs.

Skins and Hides.—The trade in undressed buffalo and cow hides, in common with practically all staple articles, suffered severely through the reaction and general depression in trade. The exportation in 1920 came up to only 261,343 piculs, as compared with 383,333 piculs in the year before. Japan took 109,

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000 piculs, which about equals her purchases in 1919, but the export to America showed the serious decline from 128,000 piculs in 1919 to 44,000 piculs. The season for this article usually opens in the autumn, but during the last two years business was far from brisk and prices declined steadily. For the greater part of the year prices asked by the Chinese dealers ranged between Tls. 50 and Tls. 45 for the finest grades and Tls. 10 less for second grade; and although at the close of the year these prices had receded to Tls. 35 and Tls. 28 for first and second grades respectively, little business was transacted, and it is feared that a considerable part of the last two years' production will have to be carried forward, since most countries, particularly America and France, seem still overstocked. There is only a sporadic demand from Italy and Germany at prices below the pre-war level. Untanned goat skins is the article next in importance in this category. Its exportation diminished from 12,732,290 piculs in 1919 to 9,966,633 piculs, out of which some 9 million pieces were sent to America.

Straw Braid.—The plaiting of straw braid is an old industry which already existed at Chefoo when the port was opened to foreign trade in 1862. The industry, under foreign impetus, has grown to such proportions that it is now the main source of income for a considerable part of the population of the central part of Shantung. It has also extended to other provinces, such as Chihli and Shansi; in fact, wherever wheat is grown straw braid is plaited. In addition to Chefoo, Tientsin and Kiaochow are important markets for this article; and owing to the more convenient facilities for transportation offered, the trade was, for the greaer part, diverted from Chefoo to the two rival ports. The total export abroad in 1919 was 102,604 piculs, which decreased to 55,065 piculs in 1920. Out of this total, 18,163 piculs came from Tientsin, 10,055 piculs from Kiaochow and only 15 piculs were contributed by Chefoo. The more important purchasers were Japan (21,008 piculs), America (18,831 piculs), and Great Britain (9,540 piculs).

Wool.—The export of camels' wool in 1920 almost equalled the 1919 figure, but sheep's and goats' wool show large decreases. The exact figures for the three varieties, in the order named, are 39,779,365,826, and 19,686 piculs in 1919, as against 39,041, 103,713, and 8,351 piculs in 1920. The greater part of the sheep's wool goes to America and Japan, while Great Britain and America are the most important purchasers for camels' and goats' wool.

Musk—Chungking is the chief port of original export for Chinese musk, which is brought into Szechwan from Tachienlu, an important market town on the Tibetan-Chinese border. As is well known, musk is of first importance in the manufacture of various perfumes, while in China it is much used as an ingredient in the compounding of medicines. The musk obtained from the Tibetan musk-deer is considered the best procurable. The market for musk suffered through the war, but is now gradually recovering, the quantities exported in 1920 being 24,447 taels, valued at Hk. Tls. 577,079, as compared with 15,954 taels and Hk. Tls. 533,914 in 1917. The principal countries of destination were America, Japan, Great Britain, and France.

Camphor.—The fact that Formosa has a virtual monopoly of the world's camphor supplies, and that the quantities arriving from that quarter are gradually diminishing raises the question, which is at once interesting and urgent, as to whether production in China can be stimulated. The quantities of camphor exported from China during recent years were:—

	Piculs.	*Value, Hk. Tls.*
1916.....	2,377	181,673
1917.....	3,547	261,918
1918.....	5,742	428,074
1719.....	23,093	1,595313
1920.....	29,997	2,840,043

while the output of Formosan camphor gradually decreased from 5,360,642 kin in 1910 to 2,197,780 kin in 1919 (1 kin—1.32 lb. avoirdupois). The principal producing districts in China are the Kiangsi, Fukien, and Kwangsi provinces, but the crude Chinese system of distillation cannot yet compete with the up-to-date methods employed in Formosa; while the lamentable Chinese practice of ruthlessly cutting down the trees without planting new ones will soon kill this industry unless reforestation is attended to. Prices for camphor and camphor oil have greatly increased in recent years, and, as the future of the trade looks hopeful, there should be sufficient inducement to take the necessary steps for the encouragement of this valuable industry.

In addition to the commodities dealt with above, the following articles of Chinese exports to foreign countries should still be mentioned:—

Bristles.—58,853 piculs were exported in 1920, which is somewhat more than in the preceding year. As in previous years, the greatest purchaser was Great

BALDWIN

Pacific Type

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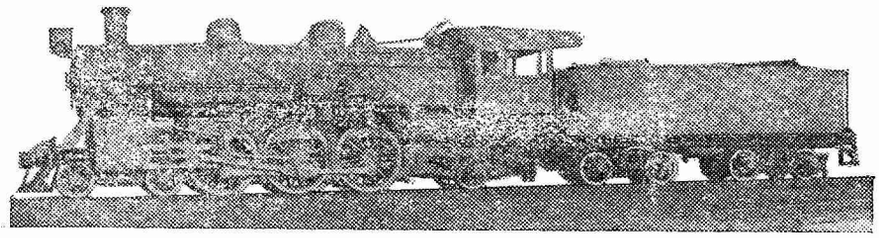

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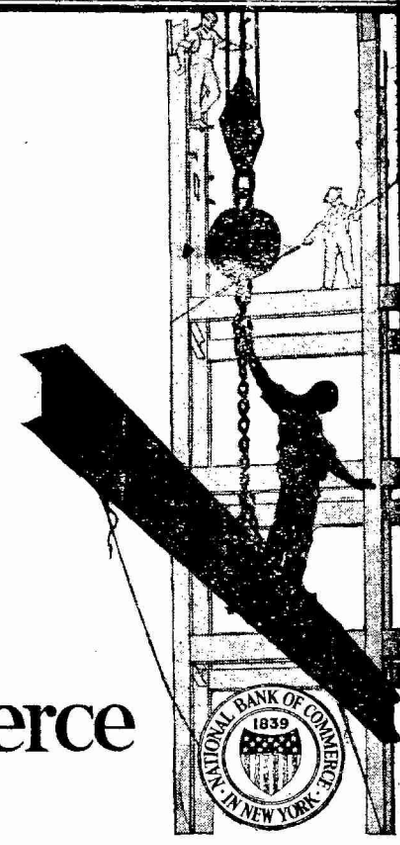

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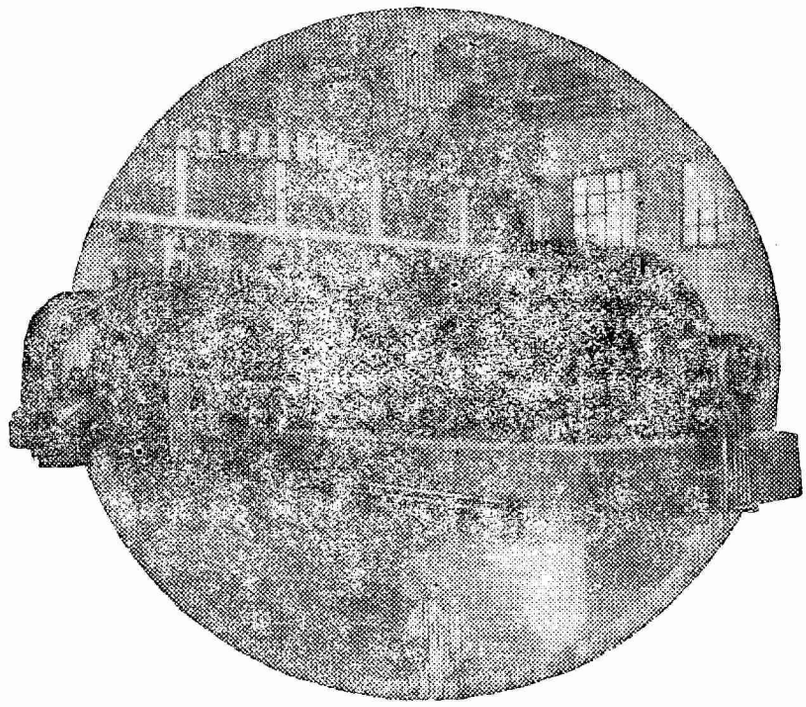
Britain, followed by America and Japan. *Egg Albumen and Yolk.*—This is gradually becoming an article of increasing importance. The export in 1920 amounted to 423,203 piculs, which is some 183,000 piculs less than in 1919. Almost 50 percent of this quantity went to Great Britain, while America took 116,925 piculs. *Grasscloth* has now reached 25,900 piculs, 20,829 piculs of which were exported to Korea. *Groundnuts* in shell and kernels remained fairly stationary, the export figures being 109,297 and 1,159,848 piculs respectively. *Human Hair* decreased from 24,537 piculs in 1919 to 20,772 piculs. The manufacture of *Hair Nets* is an interesting industry at Chefoo and its environs, which, however, has experienced bad times recently. The export of this article through Chefoo in 1920 was valued at Hk. Tls. 2,804,008, while the export through Shanghai amounted to another Hk. Tls. 1,933,902. America was the chief purchaser. *Lace* increased by some Hk. Tls. 600,000 and now stands at Hk. Tls. 2,678,530. America, Great Britain, and most of the European countries absorbed larger quantities than in recent years. *Lard* registered an important decrease, namely, from 317,520 piculs in 1919 to 195,860 piculs. *Liquorice* came down from 157,383 to 105,958 piculs, mainly owing to a decreased export to America. *Fresh or Frozen Meats and Prepared or Preserved Meats*, the export of which to foreign countries had greatly advanced in 1919, doubtless as a result of the general shortage of foodstuffs in Europe after the war, lost much ground in 1920; so also did *Vegetable Tallow*, which declined from 164,544 piculs in 1919 to 69,118 piculs, the difference being fully accounted for by the reduced export to Great Britain. Finally, the diminished exportation of *Leaf and Stalk Tobacco* and *Prepared Tobacco* should be noticed. The figures were 277,368 and 63,355 piculs for the two kinds respectively in 1920, as compared with 367,831 and 75,205 piculs in 1919. The chief countries to which leaf and stalk tobacco was exported were Japan, Hongkong, and Turkey.

SHIPPING AND FREIGHTS

Shipping.—The tonnage of vessels entered and cleared amounted to 104,266,695 tons, which is 8,540,760 tons more than in 1919, and it is worthy of note, surpasses the record figure of 1914. The British flag, which now reaches 40.3 million tons, has fully recovered from the effects of the war and exceeds the highest figure hitherto recorded, viz., 39.3 million tons in 1914. The Japanese flag, which holds the second place on the list in order of importance, increased from 27.5 to 28.2 million tons. American shipping registers a further remarkable advance from 2.6 million tons in 1919 to 4.7 million tons during the year under review and thus retains the fourth place, the third on the list being Chinese shipping, which increased from 22.6 million to 23.6 million tons, not including the tonnage of Chinese junks, which amounted to 4 million tons. French tonnage more than doubled, the 1920 figures being 852,979 tons, against 414,161 tons in 1919, while the Italian flag rose from 53,142 tons in 1919 to 195,900 tons.

Freight.—At the beginning of the year the outward freight market was decidedly inactive and dull. The demand for space for the United Kingdom and Continent



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(Established in 1917)

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Paid-Up Capital.....$1,500,000.00
Reserve Fund.....$ 124,000.00

Managing Director: T. Clarence Sun
Deputy Managing Director: Nieh Chi-wei

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Shanghai	Soochow	Changsha
Peking	Wusieh	Shasi
Hankow	Hangchow	Wuhu
Nanking	Ningpo	London
Yangchow	Shaoshing	New York
Hsuchow	Canton	San Francisco
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had practically ceased, and exporters were unable to negotiate fresh business owing to the continued rise in exchange, which at that time seemed firmer than ever. A temporary drop in the rate of exchange in March was responsible for the shipment of some seeds and cereals to North Continental ports; but the market remained flat, with abundant tonnage available and but little cargo offering. When, towards the middle of the year, the price of silver commenced its downward course in earnest, the uncertain state of the home markets precluded any considerable business being transacted, although some shipments of beans were made to Port Said and Trieste and, later on in the year, fairly large quantities of seeds were exported from the Yangtze to European ports. In the hope of attracting freight and encouraging demand, the China Homeward Freight Conference reduced its rates materially during the course of the year, but, despite spasmodic flashes of energy, the market, at the close of the year, was in the same inert condition which had characterized it for some time past, with no promise of an early improvement.

The same remarks apply, to a great extent, to the Pacific route and to shipments to New York via Panama and via Suez. On all these berths there was a scarcity of cargo offering, with ample tonnage available. The situation was aggravated here by the advent of a large number of United States Shipping Board steamers now trading to the Orient, which entered into keen competition with the regular lines.

Inward cargoes from the United Kingdom maintained a good average throughout the year.

Coastwise trade was quiet but steady, with a fair amount of freight available, especially on the Northern and Yangtze routes. But here also there was a pronounced downward tendency in rates, and towards the end of the year, considerable reductions had to be made.

TREASURE

Gold and Silver.—The importation of treasure, was Hk. Tls. 177,328,540 and the exportation, Hk. Tls. 102,185,183. Leaving copper coins out of account, there is a net balance in 1920 of Hk. Tls. 75,136,498 in favour of imports. If we consider only the movement of silver, with which China is mostly concerned, the excess of imports over exports amounts to Hk. Tls. 92,638,978. In order to put the position clearly before the reader, the imports and exports of gold and silver for the past ten years are shown below:—

GOLD

Year	Imported	Exported	Net Imported	Net Exported
	Value	*Value*	*Value*	*Value*
	Hk. Tls.	*Hk. Tls.*	*Hk. Tls.*	*Hk. Tls.*
1911.....	4,023,530	2,490,648	1,532,882	...
1912.....	9,296,528	1,838,423	7,458,105	...
1913.....	3,065,290	4,450,890	...	1,385,600
1914.....	861,167	13,861,917	...	13,000,750
1915.....	818,827	18,211,040	...	17,392,213
1916.....	19,903,117	8,102,268	11,800,849	...
1917.....	13,871,778	5,024,575	8,847,203	...
1918.....	1,228,342	2,281,659	...	1,053,317
1919.....	51,078,643	9,896,429	41,182,214	...
1920.....	50,966,880	68,469,360	...	17,502,480
Total..	155,114,102	134,627,209	20,486,893	...

SILVER

Year	Imported	Exported	Net Imported	Net Exported
	Value	*Value*	*Value*	*Value*
	Hk. Tls.	*Hk. Tls.*	*Hk. Tls.*	*Hk. Tls.*
1911.....	61,082,957	22,776,955	38,306,002	...
1912.....	45,098,297	25,849,645	19,248,652	...

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SHANGHAI—8 KIUKIANG ROAD AMERICAN EXPRESS TIENTSIN—27 VICTORIA ROAD

1913.....	55,711,490	19,743,126	35 968,364	...
1914.....	16,498 744	30,121,693	...	13,622,949
1915.....	20,717,506	39,099,820	...	18,382,314
1916.....	37,088,320	65,766,446	...	28,678,126
1917.....	27,507,292	48,490,390	...	20,983,098
1918.....	36,124,229	12,629,302	23,494,927	...
1919.....	62,093,707	8,968,418	53,125,289	...
1920.....	126,354,388	33,715,410	92,638,978	...
Total..	488,276,930	307,161,205	181,115,725	...

Scrutiny of these figures reveals some interesting facts. It will be noticed, for instance, that, while in 1919 China absorbed gold to the extent of Hk. Tls. 41,182,214, a reversal of the process took place in 1920, when a net gold export of Hk. Tls. 17,502,480 is recorded in addition to what was imported or exported through channels not under Customs control. It is also shown that during the years 1914 to 1917 China was a seller of silver the net export of which amounted to Hk. Tls. 81,666,487, which was made good again in the two following years, when purchases exceeded sales by Hk. Tls. 76,620,216. In 1920 China was likewise an important factor on the silver market, her net purchases then reaching the remarkable total of Hk. Tls. 92,638,978, the greater part of which came from America. Examination of the total amounts for the last ten years discloses the fact that from 1911 to 1920 the importation of gold exceeded the exportation by Hk. Tls. 20,486,893 and that during the same period there was an excess of imports over exports of silver of Hk. Tls. 181,115,725. Gold, as is known, does not in China perform the functions of currency. That it had, nevertheless, to be imported in such growing quantities in recent years may be explained by the fact that abnormal high value of silver created a keen desire among the populace, extending even to the lower classes, to turn into gold whatever savings in silver they possessed, the favorite form being to purchase gold articles for personal adornment. This forced up the importation of gold in 1919 and at the beginning of 1920. Since silver has fallen in price the gold thus bought is reconverted into silver, with substantial profit to the owner, thus accounting for an ample margin of gold available for export during the latter half of 1920. As regards silver, the steady inflow of this metal into China may be assumed, among other reasons, to be caused by the increasing lack of confidence in the fiduciary currency with which the country is inundated and which is frequently issued by Chinese institutions without adequate metallic cover and out of all proportion to the legitimate needs of trade, and by the rising standard of life resulting in increased cost of living throughout China, while in some quarters it is maintained that the tendency of the Chinese to take to hoarding of sycee and coins is becoming more pronounced—the natural consequence of political unrest. In considering these points it should be borne in mind that the balance of trade, in ordinary circumstances the obvious way by which the country's liabilities are settled, has consistently been against China during the ten years referred to.

Silver Exchange.—It must be patent to even the casual student of the situation that in a silver-using country like China the market value of this metal as

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reflected in the exchange rates (silver expressed in terms of gold) between China and the several countries with which she maintains trade relations is a factor of paramount importance in all commercial transactions. Indeed, the violent fluctuations in exchange, which from unprecedented heights dropped to still less foreseen depths, have been greatly instrumental in shaping the trend of trade, while they have profoundly influenced the financial results achieved. The year opened with silver at $1.30½ in New York and 75⅞d. in London. China being then a steady buyer, partly, as already mentioned, owing to growing distrust shown in the existing paper notes, forced up the market, which on the February 11, reached the record quotation of 89½d. A sharp reaction set in almost immediately, caused mainly by the cessation of demand from China, which coincided with considerable offerings from the Continent, Germany in particular, where the demonetizing of silver and the reducing of the fine metal percentage of the silver coinage had thrown large quantities of silver bullion on the market. From that time onward the decline continued steadily until, on the May 20, the price reached 58½d., the equivalent of the fixed price of $1 per ounce of silver 1,000 fine, at which the United States government is authorized to purchase silver under the Pittman Act. Although this Act refers only to silver mined in America, it was expected that it would cause the price of this commodity to remain at about the level named. This theory soon proved to be a fallacy, as the market continued to fall rapidly. There was a short rally in the beginning of July, followed by further improvement owing to demand from India, weakening of the London-New York cross-rate, and cessation of selling on behalf of the Continent, all of which combined to force the price up to 63¾d. on the August 23. After that date the price dropped steadily, reaching, on the December 10, the lowest point of the year, 38⅞d., and finally closing at 40⅞d. on the December 31. The China exchanges fluctuated in sympathy with the price of silver. The T. T. rate of exchange for the Shanghai tael on London ranged from 9s. 3d. on the February 12, to 3s. 11d. on the December 22, a difference between highest and lowest quotation of 5s. 4d., against 3s. 5d. in 1919. The exchange vaule of the Haikwan tael for 1920 was 6s. 9½d., as compared with 6s. 4d. in 1919 and 5s. 3$\frac{7}{16}$d. in 1918.

It may be of interest to note here that arrangements are under way which, it is hoped, will bring the opening of a mint at Shanghai, the establishment of which was foreshadowed in last year's report, a step nearer to realization. It is hardly possible to lay too much stress on the incalculable advantages that would ensue to trade generally if a Chinese silver dollar of invariable weight and fineness, coined at a central government mint working under efficient expert control, could be introduced and made to circulate freely througout the country as a first step on the road to much-needed currency reform.

SUMMARY

A brief description of the trend of trade and commercial conditions which obtained in China during the year 1920, which was in many respects one of the most remarkable periods experienced in the commercial history of the country, involves the repetition, it feared, of many of the remarks and observations made in the foregoing pages when discussing the

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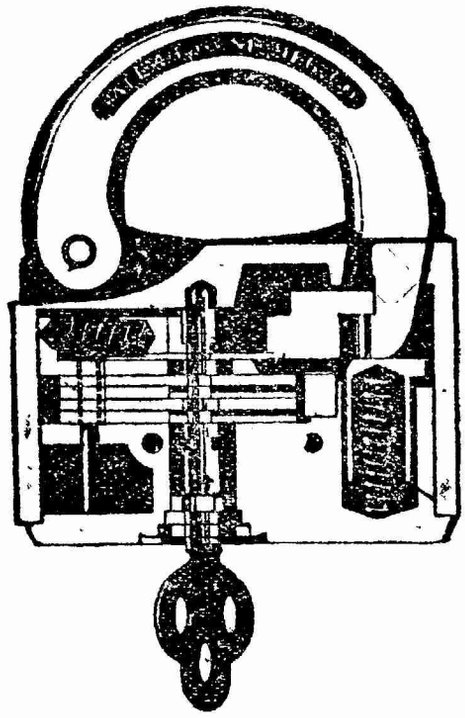

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market conditions governing the several commodities which compose the import and export trade of China.

The year opened with the greatest trade boom ever known, and the unprecedented high exchange ruling during the first two months of the year gave rise to wild optimism, which found event in reckless buying from abroad far beyond the possible limits of consumption. Over-speculation and over-trading ensued to a formidable degree. Next in chronological order came the sudden and unexpected break in exchange, which fell steadily from 9s. 3d. on the February 12, to 3s. 11d. on the December 22, and found the majority of interested parties with their commitments unsettled. This coincided with a general business depression in several of the principal industrial countries of the world, which developed into a world-wide trade slump encompassing the principal industries and causing the wholesale prices of most commodities to give way to such an extent that it more than offset the advantages offered by a falling exchange to the China export market. The position was, moreover, aggravated by the presence of huge unsaleable quantities of Chinese products held in stock in Europe, which further depressed prices; while, in China, the unsettled state of the country and the famine devastating five rich provinces adversely affected exports as well as imports. At the close of the year a general deadlock ensued, leaving trade practically at a standstill in most centers and showing, as the year's financial results, only small gains for a few and substantial losses for the majority, Chinese and foreign merchants alike.

Nevertheless, viewed from a wider outlook, there are many bright spots discernible. The present is a transition period unavoidable after the economic upheaval caused by the Great War, and must end sooner or later, when, conditions again approach their normal level. Furthermore, the potentialities of the industrial and commercial development of China, with its vast resources as yet scarcely touched, and with its teeming population, hardworking and industrious as nowhere else in the world, are such that confidence in the country's future would appear to be fully justified. Already foreign goods are being absorbed by the people in steadily increasing quantities. Factories modeled and managed on foreign lines are springing up in every suitable locality. At the end of 1920 there were more than 400 of these factories producing articles of foreign type and enjoying special Customs treatment; 48 of these manufacture soap, 31 candles, 29 cotton yarn, 26 flour, 25 cotton socks, 24 cotton piece goods, 20 miscellaneous cotton goods, 17 paper, 15 cigarettes and tobacco, 10 slate pencils, 7 biscuits, and so on down a long list containing a most varied assortment of household and other articles in daily use. Many other signs of progress are noticeable. The University of Nanking, through its department of sericulture, is endeavoring by scientific study to improve the silk industry of China, while the government authorized the formation at Chefoo of an international committee for the improvement of Shantung silk. The International Committee for the Improvement of Sericulture in China, situated at Shanghai, is doing good work; and a similar committee, having the same purpose in view, was recently established at Canton. As the staple articles of export from China are of a bulky nature and have

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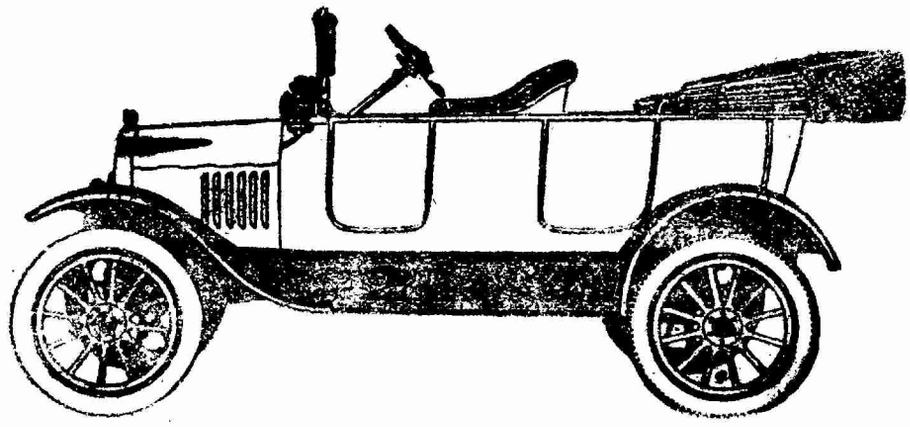

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17-090

often to be conveyed over long distances from the interior, it is gratifying to notice that the improvement of transportation and the construction of roads is increasingly engaging the attention of the provincial authorities. Motor-boats are also coming into favor on inland waterways, and motor-cars are now encountered wherever the roads lend themselves to this traffic. Shipbuilding in China is becoming a flourishing industry, with a promising future, and is likely before long to be counted among the great assets of the country along with its coal, iron, and steel industries. Railway construction has not advanced much in recent years, no doubt owing to difficulties caused by the war and the high silver exchange; but as the need for railway communication throughout the country is obvious, it is expected that extension of the existing lines and construction of new ones will be resumed without delay. Harbor and river conservancy is not neglected, and there are several works in progress improving conditions in this connection. The lighting of the coast of China and the establishment and maintenance of the necessary aids to navigation is constantly being improved and added to. Education on foreign lines is proceeding apace, and the number of Chinese students leaving for America and Europe is increasing year by year. Many other instances of growth and advancement could be cited. Unfortunately, the present political state of the country is not conducive to peaceful development. It will only be when China has settled her internal grievances, and has once more united in the desire to realize and extend her natural assets, that general development of the country's illimitable resources will be possible.

Who's Who in China

Li Sheng-to, Speaker of the Senate of the new Parliament.

(李盛鐸字木齋)

WHAT DO YOU KNOW ABOUT CHINA?

DO YOU KNOW

Why Mexican dollars are in circulation in China?

Who invented the ricsha?

Why the Germans took possession of Tsingtau?

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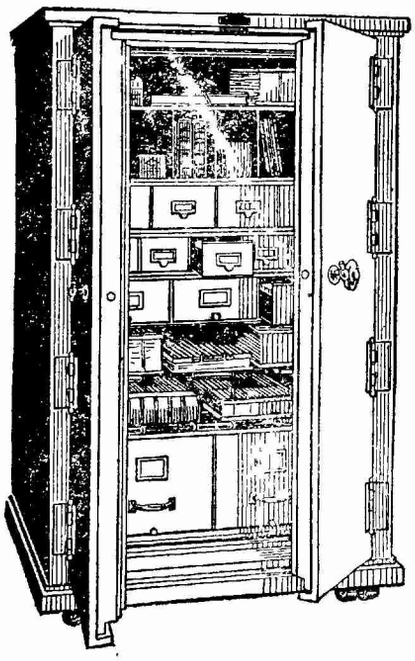

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Li Sheng-to, Speaker of the Senate of the new Parliament, the status of which is in dispute, has been suggested by friends as a candidate for the portfolio of agriculture and commerce.

He was born in 1860 at Kiukiang, Kiangsi. In 1890 he successfully passed the Metropolitan examination and was awarded the degree of Doctorate of Literature. Subsequently he joined the Hanlin Academy. In 1895 he was appointed Chinese Minister to Japan where he stayed for two years. Upon his return to China he was made Governor of the Metropolitan District.

In 1905 he was one of the five ministers sent abroad to study the constitutional forms of government. In that year he traveled extensively in Japan, Europe and America. In 1906 he was Chinese Minister to Belgium and returned in 1909.

After the first revolution in 1911, he was appointed adviser to President Yuan Shih-kai. On June 29, 1917 he was Minister of Agriculture and Commerce and acted concurrently as director-general of the National Conservancy Bureau.

On July 17, 1917, he resigned on account of General Chang Hsun's monarchical movement, but he was appointed Minister of Agriculture of the short lived monarchy.

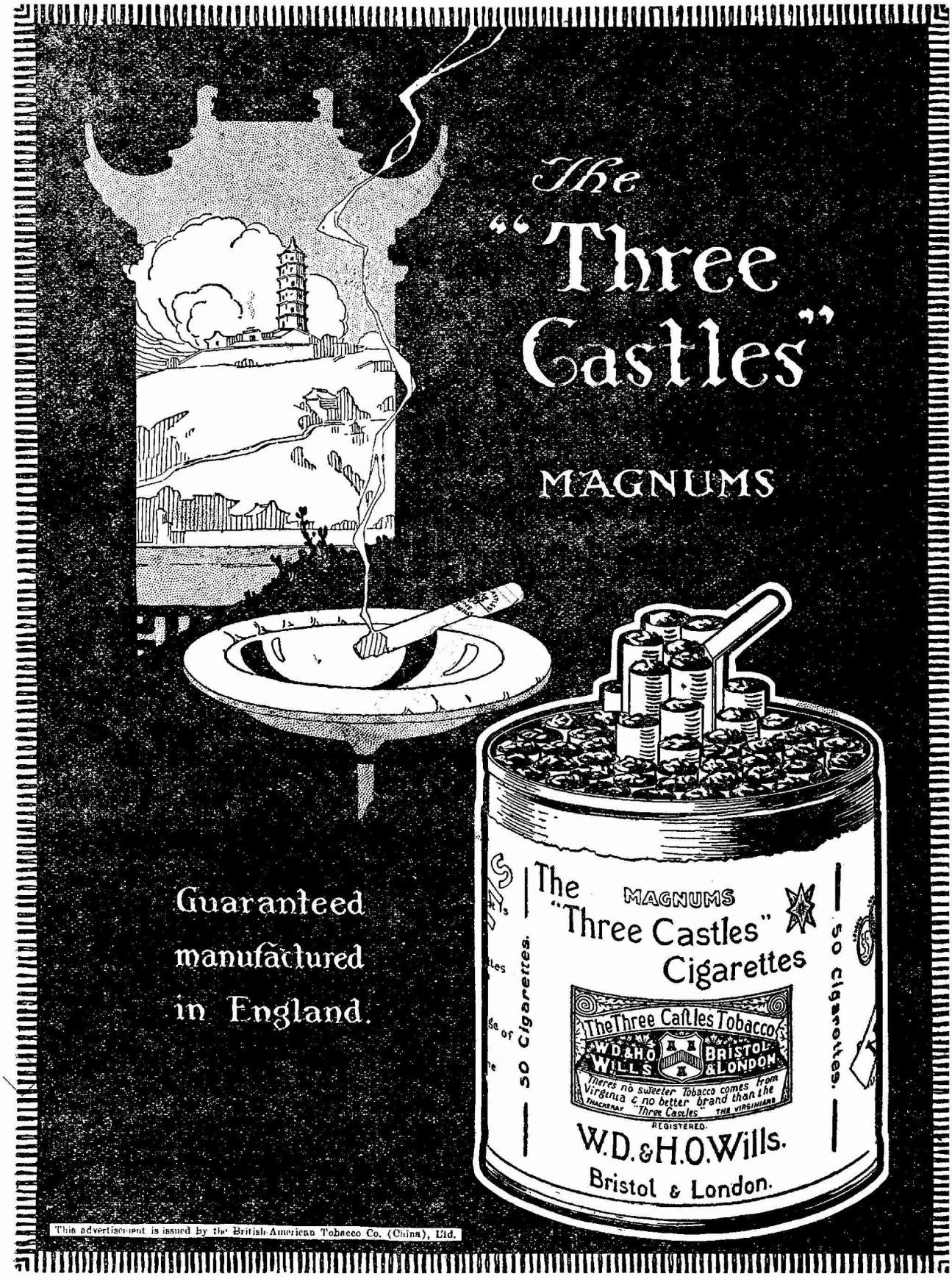
In 1918, when the new Parliament was organized, Mr. Li was elected Speaker of the Senate. Since then he has been in the public limelight. In spite of the high official position he is holding, he is not popular with the masses.

Current Press Opinion on Far Eastern Affairs

Japanese Fortifications in the Bonin Islands

From "The Japan Chronicle" (British)

In view of the attitude of pained surprise exhibited by the authorities in the official statement published elsewhere concerning rumors of the fortification of the mandated Pacific islands, it is interesting to learn that the War Office authorities have decided to fortify Hachijo, one of the chain of islands stretching from Vries to the Bonins and beyond. Of course it is asserted that the plan has long been in contemplation, but it would be interesting to know the object of all this fortification of Pacific islands that is going on, and which does not rest on rumor but fact. Does Japan really expect war with America? Or perhaps we ought to ask whether the militarists, who, despite all declarations to the contrary, are in as absolute control of this country as of Germany before the war, really believe there is danger of a war with the United States? They are certainly doing all they can to cultivate that idea. In the Bonins the process of converting the islands into a military and naval station, with fortifications on the most modern lines, is proceeding apace. The Navy Department is hard at work building houses and laying out roads, means for which can easily be found when the object is a military one. The military authorities are going on with their surveying and laborers are being imported for construction work. Naturally the small civil population suffers, and the military police regard the settlers, many of whom are of foreign extraction, with the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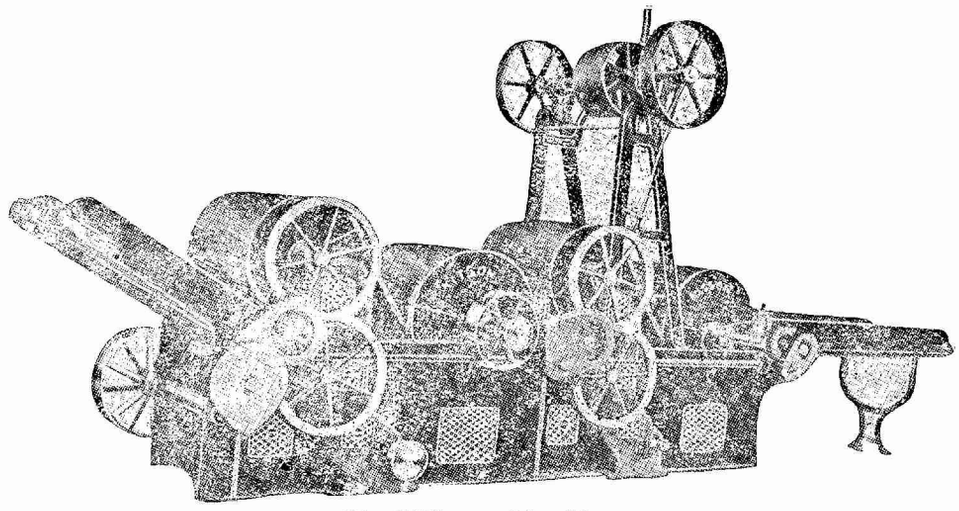

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Agents in China

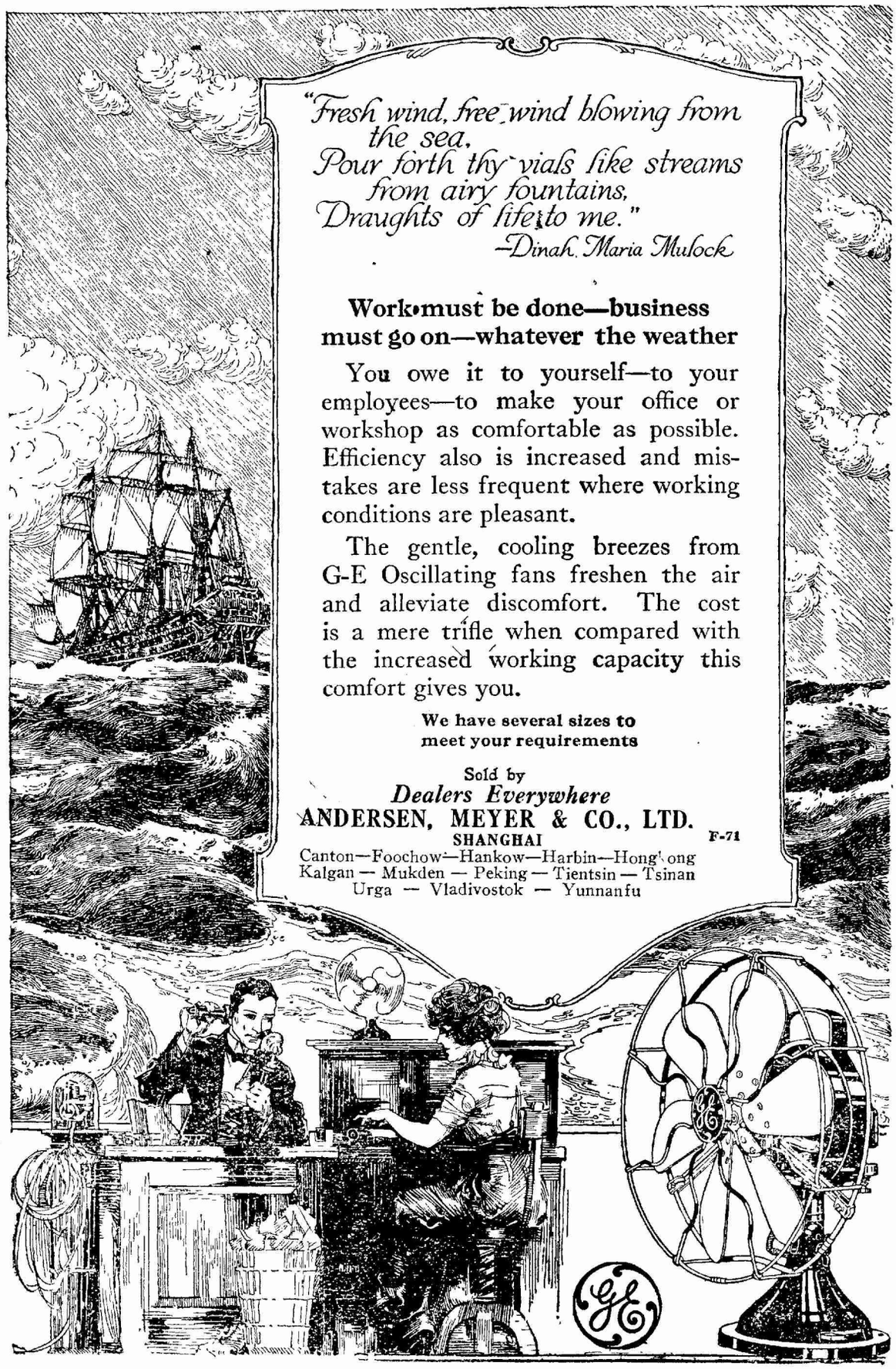
eyes of suspicion that naturally belong to the ignorance of the military caste. It is said that even school children cannot go on a picnic unless they are accompanied by a military policeman lest they should get in touch with a foreign foe. One of the new regulations proposed is that the houses must not be thatched with palm leaves, presumably for fear of fire if there was a bombardment from the sea. Foreigners will not be allowed on the islands without special permission. So the militarization of Japan goes on. And yet pleasant-spoken Japanese gentlemen assure distinguished visitors in Tokyo that militarism is dying if not already dead, and Japan is entering on the path of Liberal progress.

News Agencies and Propaganda

From "The Japan Weekly Chronicle" (British)

In a recent article on "Propaganda" we referred particularly to the record of the *Associated Press* in regard to the manipulation of news. But, as we have pointed out on many occasions, *Reuter* does not come far behind the American news agency. As we recently showed, the news sent by *Reuter* about the coal strike in England gave a very partial account of the dispute, representing the men as wholly to blame, whereas papers now arriving by mail show that it was generally held that the men had at least some grounds for the action taken, unfortunate as it may be. *Reuter* always gives us Mr. Lloyd George's speeches at length on these occasions, whereas the replies of Labor leaders are so summarized as to be meaningless. In the matter of the drowning of pit ponies, for example, *Reuter* represented that the men were solely responsible, and made no mention of the fact that investigation by a league for the protection of horses put the blame on the owners. Papers now arriving by mail show this matter of the pit ponies to be a peculiarly flagrant example of *Reuter's* manipulation of news. It now appears that on the very day the statement was made that pit ponies had been left to drown, Mr. Herbert Smith, acting president of the Miners' Federation, and Mr. Frank Hodges, the general secretary, issued the following statement: "We desire it to be made known that it is not a part of the Federation policy to see pit ponies left to their fate. We urge therefore upon our members everywhere to assist in raising ponies from pits for the sake of common humanity." The same evening, in the House of Commons, in reply to a question, Mr. Bridgeman, Secretary of Mines, said he had received a promise from the acting leader of the Miners' Federation that he would send a telegram to any place where it was known that ponies were in the pits, giving directions that they should be brought up and expressed his appreciation of this action. *Reuter* while sending the message about the men leaving the pit ponies to drown, failed to send a word about the explanation by the secretary of the Equine League holding the employers responsible, or about the immediate action taken by the leaders of the miners' organizations to prevent any such incidents. The only conclusion would seem to be that in the interests of the coal owners, it preferred to allow all the world to believe that English, Welsh. and Scottish workmen were guilty of an act of gross inhumanity.

The manipulation of news that is going on continually will in time bring these news agencies into complete discredit. Before and during the war the German *Wolff* agency was held up to odium for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its tendacious messages, yet these other agencies are following on the lines then condemned. *Havas*, for example, has lost all credit even in Allied countries, but its news is colored so unintelligently and exhibits so much bias that it is less dangerous than the others. Then the difficulty of getting news from disturbed areas of the world is increased by censorship. In November 1919 Mr. Paxton Hibben sent a dispatch from Georgia to the *Chicago Tribune* describing an abortive attempt to effect a Bolshevik revolution which only failed by the narrowest margin. The message was stopped at Constantinople by Admiral Bristol. who demanded to know what the correspondent meant by trying to send such a dispatch. He produced his evidence but it was declared to be worthless, Admiral Bristol getting most of his information from Tsarist refugees. The message, which, apart from its statement of facts. was in reality a warning of what would happen in Georgia unless the moderate Socialist government was recognised and a stop put to the Allied pressure on Georgia for oil and mining concessions, was refused permission to pass. The people of the Allies were kept in ignorance of conditions. Since than the correspondent's reading of the situation has proved correct. Georgia has now gone Bolshevik, and people cannot understand the reason. Again, we have repeatedly pointed out the tendacious news agency messages suggesting that the Far Eastern government in Siberia intended to open an offensive in the spring this being evidently propaganda to justify attacks on the republic by the bandits of Semenoff and Ungern. Now we observe in two English newspapers, one the *Financier* and the other the *Pall Mall Gazette*, identical but differently arranged articles "from a correspondent" of the same tendency. They contain the statement that "the new Communist regime of Chita, in Eastern Siberia, which has been recognised by the Vladivostock Assembly, is undoubtedly precipitating a trial of strength between the Soviet power in Far Eastern Russia and Japan, *who threatens to protect her Siberian interests.*" Japan, the guileless reader will conclude, may be forced to fight in order to protect Korea from burglarious Bolsheviks. Now this letter "from a correspondent" was either from the Tsarist publicity bureau or from an agency desirous of justifying the Japanese occupation of the Maritime Province. The statement in the sentence quoted was false, no such preparations being made by the Chita Government. What disturbances have occurred are solely due to reactionary elements protected by the Japanese but the organized attempt against the Chita republic which these and similar announcements were intended to justify has so far been found inexpedient, probably because messages of this character are now not credited sufficiently to influence foreign governments into giving Japan a free hand. The only effect of all this concerted manipulation of news on the general public must be to engender a universal scepticism of propaganda and news agencies.

Many Americans from Far East in Washington D. C.

There is a little office on the first floor of the State Department at Washington, D. C. that has a sign over the door, "Division of Far Eastern Affairs." In this office the visitor will see many of the American faces familiar on the streets of Shanghai and Peking. Also if he will keep his ears open, this same visitor will hear many interesting phases of Far Eastern politics and not a little gossip.

17-096

巧得獎

無錫錫山山無錫

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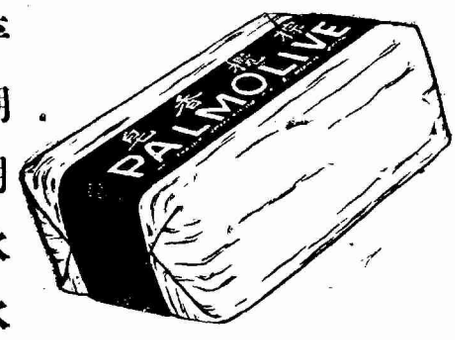

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This has been especially true since the beginning of the new Harding Administration.

Among the notables who have been in Washington recently may be mentioned the following: Dr. J. C. Ferguson of Peking, who is said to be interested in a diplomatic post in the Far East: W. S. Fleming, an attorney of Shanghai, who is said to be in America on a confidential mission; Major C. P. Holcomb, U. S. District Attorney, also of Shanghai, who is in Washington on official business; Roy Anderson of Peking and Shanghai, who is in America on a visit combining business and pleasure; R. P. Tenney, U. S. Vice Consul and Shanghai Mixed Court Assessor, who is in the United States on vacation; and J. B. Powell of Shanghai, representing the American Chambers of Commerce of China, who is in America working for the passage of the China Trade Act and Carl Seitz on the same mission who has recently returned to Shanghai; J. C. Busch of Peking, who is working on behalf of the Peking Government University; Dr. Luce of Peking, who is promoting the interests of the large missionary university at Peking; B. W. Fleisher of Tokyo, publisher of the *Japan Advertiser,* who is in America with his family on a vacation; E. W. Frazar of Tokyo, who is in America and has also been in Europe on business; H. H. Arnold, of Andersen-Meyer and Company of Shanghai, who was in Washington and appeared before one of the congressional committees on behalf of the China Trade Act; Dr. Elden R. James, legal adviser to the Siamese government, who has just completed negotiations for a commercial treaty between America and Siam that provides for the gradual relinquishment of American extraterritorial rights in Siam. Dr. and Mrs. James expect to return to Siam in a few weeks. Dr. Tenney, former Chinese Secretary at the American Legation at Peking, who has been in Washington, returned several weeks ago to his home in Berkeley, Cal. Mr. Sanger, U. S. Trade Commissioner, who spent several months in China and the Far East investigating advertising and publicity conditions is now in Washington preparing his report which soon is to be published by the Department of Commerce. Wm. C. Dennis, former legal adviser to the Chinese government, is now located permanently in Washington and is engaged in the practice of law. Dr. Paul S. Reinsch, former American Minister to China is also living in Washington and is likewise engaged in the practice of law. Nelson T. Johnson, former American Consul at Changsha and later acting Consul-general in Shanghai, is now assistant chief of the Far Eastern Division of the State Department, and John V. A. MacMurray, former first secretary of the American Legation at Peking, is now chief of the Division of Far Eastern Affairs of the Department of State. Fred Dearing, and Henry T. Fletcher, both formerly connected with the American Legation at Peking, now occupy high positions in the State Department, the first being Assistant Secretary and the latter being Under Secretary and next to Secretary of State Hughes. Charles Denby, recently returned from Shanghai where he was engaged in business, is now back in Washington where he is making his home. F. A. Fairchild of Manila, owner of the *Manila Times* and a prominent business man of the islands, has been in Washington several times recently but has now returned to Manila.

American Woman's Club Discontinues Meetings Until Fall

The meeting of the Literary Department of the Woman's Club on Friday last, May 3, and the garden party, held at the Columbia Country Club, Saturday afternoon June 28, the annual social function of the club, marked the closing of the activitjes of the various departments of the American Woman's Club for the summer. The first meeting of the club will be in September.

Mrs. C. S. Lobingier, who has given unlimited time and service to the club, will retire from presidency and turn her duties over to Mrs. F. J. Raven, president elect for 1920-21. The various accomplishments of the club during the past year, in their old and new lines of endeavor are in no small way due to Mrs. Lobingier, who has capably and efficiently filled her place as president. The advances and development of the club points out to the members the very important place the Woman's Club has come to fill in the community of Shanghai. The departments have a highly important field which is distinctly their own and with their leaders have followed but a valuable course of study.

The accomplishment of organized women for civic betterment during the past year has been forcefully brought out by the Social Service and Social Department. The Literary Department has tended to acquaint the members with Chinese art and artists, making their value of appreciation greater and Mrs. H. A. Wilbur, chairman of this department, has manifested a keen interest in her work during the entire year. The Mother's Department, while a new department has been remarkable in its rapid development under the leadership of Mrs. W. G. Hiltner. This department has taken up problems affecting the home, the home life, and especially the welfare of children and their direction toward useful and happy lives. In all these matters women from their nature and functions have a knowledge, a judgment and an interest impossible to men. It is their special field.

In addition to all this, the holding of the regular departmental meetings, the first and third Tuesdays of each month, and the home teas served previous to the meetings have proved very successful and helpful in promoting friendliness and informal get-togethers for the new and old residents of Shanghai.

Mrs. Charles S. Lobingier

Swatow Embroideries on Sale

Mrs. Frank Rawlinson has received a consignment of Swatow embroidered goods which will be on sale at her home, 178 North Szechuen Road, (Baptist Mission Compound) on Friday morning, June 10, from 10 o'clock till 6 o'clock.

The linen and workmanship are of superior quality, and the prices are below those prevailing in the shops. The consignment includes table linen, underwear, handkerchiefs, silk dresses, and scarfs, all exquisitely embroidered.

This is an introductory sale of this special grade of Swatow embroidery. It is planned to keep a stock on hand which may be seen at any time between sales by telephone apppointment, North 1863.

Silk ties at very reasonable prices will also be on sale. Mrs. Ward will display hand-bags of charming design and pattern. It is hoped that a large number of friends will take advantage of this opportunity.

Adviser on Yellow Bridge Construction Arrives in China

Dr. J. A. L. Waddell of Kansas City, Missouri, arrived in Shanghai recently enroute to Peking where he has been invited by the Chinese government to become the American member of the commission of four advisers for examining the designs submitted for the construction of a new bridge across the Yellow River of the Peking Hankow Railway. Dr. Waddell is a world famous bridge expert and among many other honors received the Normal Medal for 1920 awarded by the American Society of Civil Engineers on a paper entitled, "The Economics of Steel Arch Bridges." Previous awards also went to Dr. Waddell in 1909 and in 1916. He has said that though he has accepted an invitation of the Chinese government to come to this country to perform a specific service he intends during his stay in China to place hinself wholly in the service of the government and undertake any problems in the construction line that may come up.

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Men and Events

Paul Chatom of the Standard Oil Company, Shanghai, has been transferred to the Moukden branch of the company and departed for his new post on Tuesday, June 7.

Mr. and Mrs. Willard W. Bartlett will be at home to their friends in honor of the graduating class of the American School, N. Szechuen Road, Shanghai, on Thursday evening, June 16, from 8 to 10:30 o'clock.

The Normal School of Hygiene and Physical Education of the Y. W. C. A., will give a demonstration on the afternoon of Tuesday, June 14, at 5 o'clock, in their school garden, 38 Kianchow Road, at the end of Tongshan Road, Shanghai.

F. O. Finn, special representative of the Chicago, Milwaukee, and St. Paul Railroad Company, departed for America on Saturday, June 5, on the *s. s. Fushimi Maru*. Mr. Finn has been touring the various ports in the Orient on a combined business and pleasure trip.

The Shanghai Chinese Press Association was host at a tea and reception given in the Eastern Times building, Shanghai, on Sunday afternoon, May 5, at 2:30 o'clock to members of the Shanghai press. A large number of local pressmen and friends were present on this occasion.

The marriage took place on Saturday, June 4, of J. T. Wright, vice-consul of the United States Consulate, Shanghai, and Miss Dora Emens, at the home of the bride, Jessfield, at 5:30 o'clock. The Rev. G. A. Fitch performed the ceremony. A large number of friends were present. Miss Thompson acted as bridesmaid and W. S. Emens, a brother of the bride, gave her away.

An attempt is being made to form a Pan-Hellenic association in China and all those who are members of American college and university fraternities who are desirous of promoting such an organization, are asked to communicate by letter, stating college, year of graduation, native state, fraternity chapter etc., with F. H. Kreis, vice-consul, in care of the United States Consulate, Whangpoo Road, Shanghai.

The winners of championships in the Far Eastern Olympic Games are as follows: In the Far Eastern Championships, track and field, baseball, swimming, decatholon, tennis singles, tennis doubles, Philippine Islands; basket ball, football, volley ball, pentathlon, China; marathon, Japan. In the open series, track and field, base ball, basket ball and swimming, Philippine Islands; football, Great Britain; and marathon, Japan.

Thomas K. Meloy, a graduate of Harvard in 1915, and of the Massachusetts Institute of Technology, class of 1917, arrived in Shanghai on the *s. s. Tenyo Maru*, on Sunday, May 5. He is traveling with Charles S. Dolan of Washington, and they are enroute to Peking. Mr. Dolan departed for Peking on Monday evening, May 6, and Mr. Meloy will join him later. While in Shanghai he is staying at the Astor House.

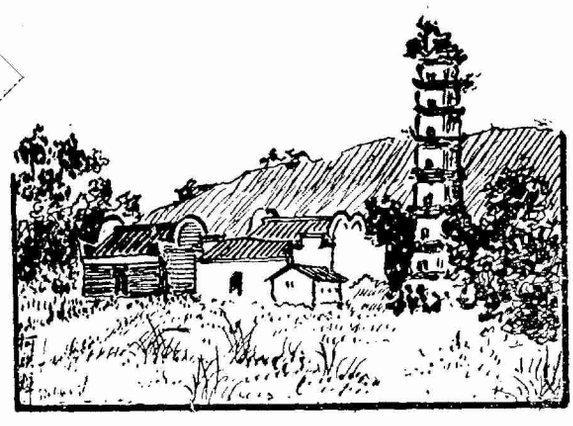
The faculty of the Shanghai American School and senior class have issued invitations to the com-

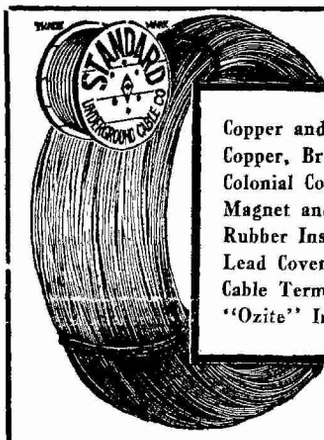
mencement exercises on Tuesday afternoon, June 16, at the Masonic Hall, 30 The Bund, Shanghai, at 5 o'clock. The class roll includes: Misses Frances White, Helen H. Smith, Gertrude Ekvall, Helen Proctor, Margaret C. Blain, Ruth Robertson, and Charles H. Duff, P. Pierson Parker, Walter J. Seymour, and Edward T. Lockwood.

Dr. Woo who is to be connected with the Peking Union Medical College, Peking, and Mrs. Woo, who have been on a wedding trip around-the-world, have recently returned to Peking, where they will make their home. The Union Medical College will formally open in September, and a special invitation has been issued to John D. Rockefeller, Jr., to be present at its inauguration. Dr. Woo will be assistant surgeon in gynecology and obstetrics in the college. They passed through Shanghai from Manila.

The American polo players now in England for the International Polo Cup championship game have been invited to attend the India Polo Association, meet to be held in India, before returning to America The distance and time required to make the trip, however, will keep many of the polo players from attending the games. The strongest Indian teams are composed of native players, and it is understood that India will be able undoubtedly to put a formidable team on the field, as the sport has been long in vogue in the British Empire, and the Indians possess some remarkably fine horses for this contest.

The annual report of the Young Men's Christian Association of China for 1920-21 has been received and a special attempt has been made this time to include some excellent photographs and information regarding outport branches of the Y. M. C. A. as well as the Shanghai association. The report shows the astonishing growth of the city and student associations in comparison with other years. This is the twenty-fifth anniversary convention year. The new building of the National Committee has been opened this year and the year has also marked the beginning of industrial and army work. In the contents of the report is included the following: foreword, the city associations, the student associations, the twenty-fifth anniversary convention, industrial work, army work, the National Committee and its work, the national building, visitors from abroad, in memoriam, famine relief, the outlook, and directories and statistics. The material is so presented in the report that the reader may select easily the items that appeal to him most.





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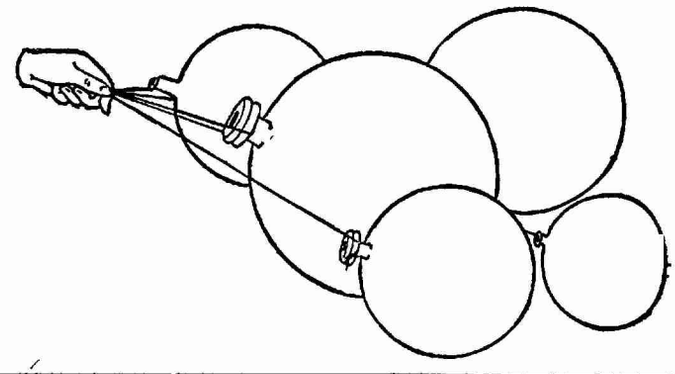

News from North China

J. C. Ho has been appointed councillor at large of the Ministry of Communications, having been relieved of the position of secretary by the new Minister. In addition, he is retaining the position of the co-director of the Peking-Hankow Railway.

Wang Hsih-yuan, one of the two Vice-Ministers of Finance, has been replaced by Niu Chuan-shan, who was the first director of the Wine and Tobacco Administration. Pan Fu remains as the Senior Vice-Minister of Finance, looking after the Salt Administration.

A Presidential rescript was issued on the evening of May 31 granting three months' leave of absence to Li Shih-wei, new Minister of Finance, and Fan Yuan-lien, who was Minister of Education in the last Cabinet, and was appointed to the same position in the new Cabinet.

Preceded by two trains carrying bodyguards, General Chang Tso-ling left Peking on Tuesday afternoon, and arrived at the Tientsin Central station in the evening, leaving later for his headquarters in the Chinese city. Contrary to general expectations he did not proceed on his journey to Mukden.

A cablegram has been received by the government in Peking from Alfred Sze, Chinese Minister at Washington, stating that a number of Central and South American countries have approached him with the request that China and these countries establish trade relations and exchange diplomatic officials.

General Chang Tso-ling, Pacification Commissioner of Inner and Outer Mongolia, has received from the Peking government on account of the Mongolian expedition materials and money to the value of $4,000,000. As soon as he reaches Mukden, he will make preparations for the despatch of the expedition.

On the occasion of the birthday of His Majesty King George V, on June 3, there was a parade of the British Legation Guard on the West Glacis at 8 o'clock when the British Minister, Sir Beilby Alston, took the salute. Major General Sir George Kirkpatrick, General Officer Commanding, China Command, was present.

According to the new basis of division agreed upon by subscribers to the Peking Tramway shares, which were heavily over-subscribed, those who purchased shares in considerable quantities will receive 24 percent of the amount they ordered. By this means it is figured that the number of shares outstanding will be reduced to 19,959.

The Provincial Assemblies of Chihli and Shantung and Kiangsu have telegraphed to the government protesting against the renewal of the Anglo-Japanese Alliance and suggesting that the government should inform the British and Japanese governments that if the Alliance is renewed it must not contain any reference to China without China's consent and knowledge.

General Leonard A. Wood, now on a special mission in the Philippines for the American govern-

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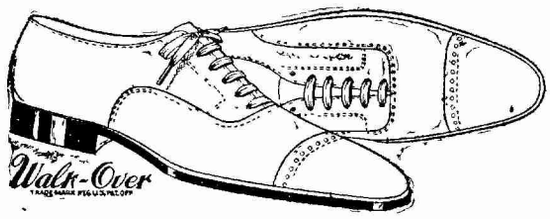

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Peking Union Medical College,
Peking.

17-104

ment, according to the Chung Mei News Agency, is coming to China, and a Presidential Mandate has been issued granting him the Military Order of the Spotted Tiger. An official invitation has been extended to General Wood to visit China and it is expected that he will accept.

The garden party given on Saturday last by Commander and Mrs. Hutchins at the American Legation in honor of Admiral and Mrs. Strauss was attended by many distinguished Chinese and foreigners. Representatives of the different ministries and the legations in Peking, General Wang Chan-yuan, High Inspecting Commissioner of Hunan and Hupeh, and General Chang Kuan-chien, were present.

There is a possibility that the baseball team from the University of California, which is now playing in Japan, may visit Tientsin. The California team has beaten every university team on the Pacific Coast, and their appearance at Tientsin will probably form part of a series in which teams from the Fifteenth Infantry, Tientsin Civilians, Peking Marines, Peking civilians, and possibly a Filippino regimental team will participate.

The government of the French Republic has proposed and the government of the Chinese Republic has agreed to the appointment of M. Fleurian as French Minister to China. M. Fleurian has served for many years in the French Embassy in London as the right hand man of M. Paul Cambon, for so long a period French Ambassador at the Court of St. James. In the course of the summer, the new French Minister is expected to arrive in China.

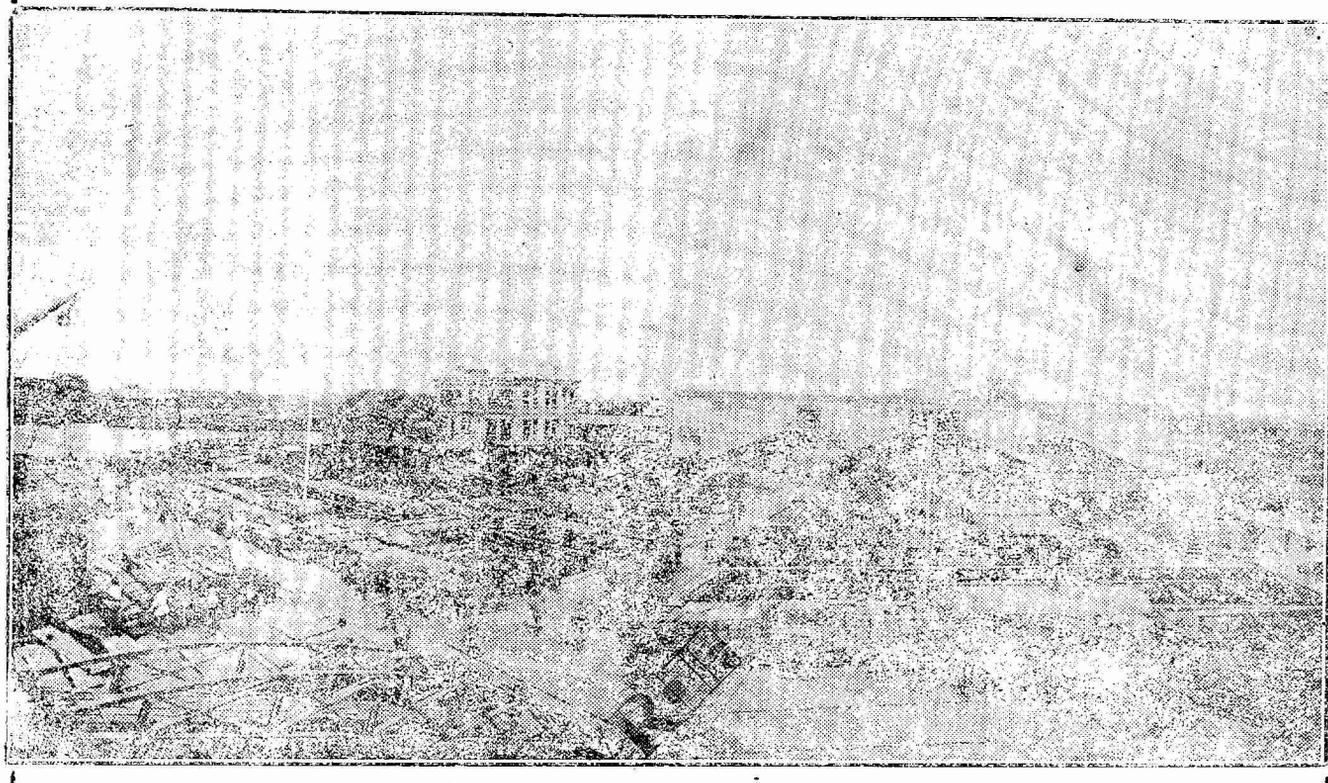
Some time ago the Dutch Legation at Peking, on behalf of Luxembourg, drew the attention of the Chinese government to the fact that Luxembourg was an independent state and not allied to Germany, and therefore requested that the property of citizens of that state, confiscated by the Chinese government, should be returned to them. The government considers the request to be just and will reply in this sense to the Dutch Legation in the near future.

The winning numbers for the raffle for diamond ear rings and pearls in aid of the International Famine Relief Fund, drawn by Lady Alston on May 26 are: No. 145, first prize, pair of diamond ear rings: No. 161 second prize, pearl necklace. The first prize was won by Miss D. McEwan of Seattle U. S. A., sister-in-law of A. H. Ferguson, formerly manager of the Peking branch of the Chartered Bank of India, Australia and China. The second prize goes to Mr. Skidelsky of Harbin.

Admiral Li Ting-hsin, new Minister of Navy, according the local press, is devoting most of his time to the promotion of the fishing industry in the coastal provinces for which a tax is to be levied, the proceeds from the tax to be used as a naval reserve fund. With regard to the wireless problem, he has, after inspecting the Tungchow wireless station, asked the Mitsui Company to instruct their contractors to destroy the entire building and re-erect it in accordance with the plans and specifications mentioned in the wireless agreement.

The funeral took place on Wednesday at the Tientsin Cantonese cemetery, of the late Dr. Li Shih-kung, who died while on medical service from typhus. A student of the Naval Medical College, the deceased was well known in medical circles. Detachments of French and Chinese police, together with officers from the Naval College, formed the guard of honor for the

Modern Fireproof Construction Assures Storage Safety



View showing Robert Dollar Company Pai Lien Chien Wharf and Fireproof Concrete Go-down

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One of the most impressive sights in China, the Western Tombs may be reached by a branch line which was built exclusively for the use of the former Imperial Sovereigns to visit the tombs of their ancestors. The site of the beautifully adorned Imperial Tombs, which include the mausoleums of four Manchu Emperors, three Empresses and a number of Princesses, is close to the Liang Ko Chwang Station, 79 miles from Peking. The region is justly appreciated for its charming, Oriental scenery and atmosphere.

ABRIDGED TIME TABLE

(Through Express Service Only)

1 Direct W.L.B. 1.2.3.cl.	3 Sem-dir W.L.B. 1.2.3.cl.	STATIONS.	2 Direct W.L.B. 1.2.3.cl.	4 Sem-dir W.L.B. 1.2.3.cl.
8.00	21.00	dep. Peking Chienmen.....arr.	21.35	7.55
8.18	21.18	,, Paomachang .....dep.	21.19	7.39
8.58	21.50	,, Changsintin ..... ,,	20.52	7.14
9.47		,, Liuliho..... ,,	19.58	
10.40		,, Kaopeotien ..... ,,	19.04	
12.34	0.43	,, Paotingfu ..... ,,	17.23	4.24
16.30	3.57	,, Chengtingfu ..... ,,	13.22	1.08
17.36	5.03	,, Shihkiachwang ..... ,,	12.11	0.02
21.27	8.07	,, Shuntehfu ..... ,,	8.33	21.15
0.11	11.41	,, Changteh Ho..... ,,	5.29	17.30
2.48	15.04	,, Sinsiang..... ,,	2.52	14.13
6.13	17.58	,, Chengchow..... ,,	0.26	11.24
7.24	20.48	,, Hsuchow ..... ,,	22.15	3.33
9.14	23.04	,, Yencheng ..... ,,	20.35	6.43
11.11	0.44	,, Chumatien ..... ,,	18.16	4.45
14.09	3.12	,, Sinyangchow..... ,,	15.09	2.13
15.26	4.19	,, S'tien(Chikungshan) ,,	13.46	1.03
18.56		,, Siaokan ..... ,,	9.55	21.50
20.50	9.15	arr. Hankow Tachimen... ,,	8.00	20.00

17-106

funeral cortege on its journey to the cemetery, and there was in attendance at the graveside, the representative of the French Municipality, Major Bruyere (Chief of Police).

The Peking-Tientsin Highway Commission has been formally organized for the purpose of completing the national highway between Tungchow and Tientsin, the section between Peking and Tungchow being completed in 1917. The commission is composed of Hsiung Hsi-ling, chairman, representing the Tientsin-Tungchow Highway Bureau of the government, Mr. Yuen, director of the National Famine Relief Bureau, Mr. d'Hermon, representing the United International Famine Relief Association, J. E. Baker, director of the American Red Cross, China Famine Relief, and Murray Sullivan, chief engineers of the commission.

Peking, June 4, 1921.

Week's News Summary

CHINA

June 3. Peking dispatch announces work to begin on Peking Suiyan line in June, also states contract for double tracking Peking-Mukden line been signed.——Shanghai carpenters, masons, and laundrymen strike.——Kalgan report says there is no evidence of Chang Tso-lin's Mongolian expedition.

June 4. Shanghai laundry strike settled.

June 5. Builder's strike increases in seriousness in Shanghai.

June 7. Up river dispatches say Ichang has been looted and burned by soldiers who have destroyed foreign as well as Chinese property.

June 8. Hankow report places the loss of life in Ichang at 100.

SIBERIA

June 8. Kappelist regime in Vladivostok said to have invited cooperation of General Wrangel.——Chita dispatch reports skirmish between Japanese and Russian partisans near Iman in which the former were repulsed.

GENERAL

June 2. Mexico City reports says American government will soon recognize Obregon administration.——British government prepares to take drastic steps against striking miners.

June 3. Germany pays first reparation installment through U. S. Federal Reserve Banks.——Allied governments refuse disarmament concession to Bulgaria.

June 4. Maximillan Harden, famous German editor, says Germany sought to dupe Allies.——London report says Irish question may be debated at Imperial Conference.

June 5. Lenox Simpson, declares in London that U. S. and Canada are opposed to renewal of Anglo-Japanese Alliance.——Owners and miners reject British government plan to end coal Strike.

June 6. London dispatch reports strike in English cotton industry closing large number of mills.——Disastrous cloud bursts and floods reported in East Colorado.

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Glasgow, Scotland
Havana, Cuba
Johannesburg, South Africa
Lima, Peru
Los Angeles, California
London, England
Mexico City, Mexico
Montreal, Canada
New Glasgow, Canada
New Orleans, La
Paris, France
Petrograd, Russia
Portland, Oregon
Rio de Janeiro, Brazil
Rome, Italy
Rotterdam, Holland
San Francisco, California
Santiago, Chile
Sao Paulo, Brazil
Seattle, Washington
Soerabaya, Java
Sydney, New South Wales
Tokio, Japan
Toronto, Canada
Valparaiso, Chile
Vancouver, Canada
Winnipeg, Canada

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PIPE—Black and Galvanized Wrought, for Steam, Gas and Water: American or English Lapwelded Boiler Tubes, Matheson Lead Joint Pipe. Seamless Steel Tubing
PLATES—Boiler, Tank, Ship, Flange and Fire Box Steel
POLES Steel Tubular
RAILS—Light and Heavy Rails for Railways, Tramways, Mine and Industrial Railways. Special Track Work
REINFORCEMENT FOR CONCRETE—Triangle Wire Mesh
RIVETS
ROPE—Wire for Mine Hoists, Derricks, Cranes, etc.
SCREW SPIKES
SCREW STOCK—Cold Drawn
SHAFTING
SHAPES—Standard Structural
SHEET BARS
SHEETS—"Applo" Brand, Plain, Galvanized, Corrugated, Black
SKELP
SLABS
SPIKES—Railway Track Spikes
SLEEPERS—Steel
SPRING STEEL
STEAM PIPE AND TUBES
STOVE PIPE SHEETS
SWITCHS—Switch Stands
TANK PLATES
TERNE PLATES
TIN MILL PRODTCTS
TIN PLATE—"Coke," "Charcoal" and "Terne"
TOOL STEEL
TOWERS—Steel
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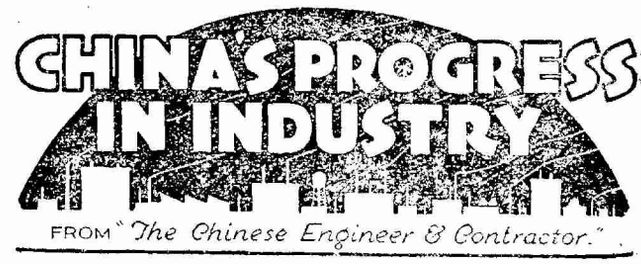
June 7. London item says England forces another labor crisis due to reduction of wages in engineering trade.—— Ten million dollar property loss reported in Colorado floods.

June 8. Premier Meighen of Canada declares Anglo-Japanese Pact will not satisfy the United States,—— English coal strike said to be improved.—— Death toll of Colorado floods totals 250.



Modern Industry in Foochow—As a result of the recent patriotic industrial movement the city of Foochow has benefitted largely in the establishment of modern factories intended to displace Japanese importations. There are now in the city twenty-one spinning and weaving concerns, one match factory, one button factory, four candle and soap factories, one sand paper plant, one wax mill, one chinaware plant and more than thirty wine and spirit distilleries. All of these factories have been given recognition by the provincial authorities and are being encouraged by exemptions from likin taxes. At present several porcelain and fine metal plants are under organization and other projects are being considered.

Importation of English Looms—The textile industry of China is undergoing a period of transition that will bring the plants now operating up to a more modern standard. It has been estimated that nearly nine-tenths of the old fashioned hand looms are being replaced with modern power looms in the coporate industries. The importation of weaving machinery is decidedly on the increase, England at present holding a major share in the trade. In 1913 looms to the value of £22,541 were brought in during the first quarter. The growth of the trade may be seen from the fact that during the first quarter of 1921 this amount was increase to £440,740.

Shaoshing Coal Mine—A coal deposit has located been in a hilly section of the country near Shaoshing recently. The coal is said to be of a high quality and the supply capable of withstanding eighty years of ordinary mining without exhaustion. Foreign and Chinese capitalists, including the owner of the district, have organized a company, known as the Tse Chen Mining Company, to develop the property with a capitalization of $1,000,000. The property will be opened up within a short time.

Double Track for the Peking-Mukden Line—The Peking-Mukden Railway will be double tracked from Shanhaikwan to Tongshan within a short time, according to a recent announcement. A loan for the purpose has been advanced by British interests to the total of £500,000. The terms of the loan provide for the payment of the sum in installments monthly to the railway by the Hongkong-Shanghai Banking Corporation, beginning with May 7, 1921; interest to

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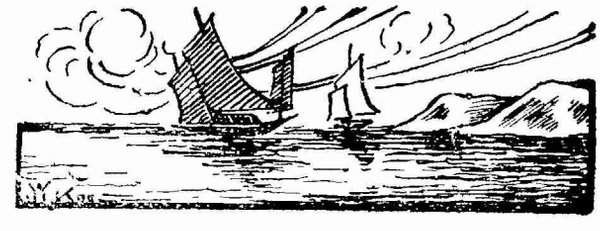
be 8 percent annually, the loan to be secured by the surplus revenue of the Peking-Mukden line; repayment of the interest and capital to be begun on an installment plan in 1922. The loan is said to be connected with decisions made at the recent London conference of the Kailan Mining Administration. The company seeks the improvement of transportation facilities in order to increase its output and has requested that the double tracking be completed in eighteen months if possible. The Kailan organization has decided to extend the harbor at Chingwantao to three times its present size and to install an iron and steel plant, representing an outlay of $25,000.000.

Coal Mining in Chihli—The province of Chihli is one of the largest coal producing areas in China. A number of mines are in operation but the majority are hindered by the employment of native methods and by a lack of capital. Only ten mines are being operated in a modern way. The following is a tabulation of their activities :

	Kailan	Chin-Chin	Lingchen	Chenfoong	Liukiang
Area	630 sq. li	30 sq. li	900 mows	470 mows	7 sq. li
Capital	£2,000,000	$500,000	$2,000,000	$600,000	$720,000
No. of mines working	6	1	1	2	1
No. of miners	14,000	3,000	1,000	uncertain	uncertain
Mining tax per annum	$500,000	$50,000	$18,000	uncertain	100,000
Yearly output	3,200,000 tons	500,000 tons	120,000 tons	70,000 tons	100,000 tons
	Chi Ming Shan	Pao Hsin	Hsin Nieh	Ming Hsin	Tsi-hsien
Area	19,600 mows	not large	3 sq. li	unknown	small
Capital	official	$240,000	$500,000	$200,000	$800,000
No. of mines working	1	1	1	1	4
Mining tax per anuum	$8,000	unknown	unknown	unknown	unknown
No. of miners	600	uncertain	uncertain	uncertain	uncertain
Yearly output	67,000 tons	12,000 tons	10,000 tons	small	small



Current Market Reports

Weekly and Monthly Conditions and Quotations of China's Principal Markets

Weekly Cotton Market Report

By A. B. Rosenfeld & Son

China Cotton.—The upward tendency of prices continued during the past week and values were carried 150 points above the level ruling about a week ago, making a total advance of Tls. 2.50 since the inception of the present bull movement. No further explanation is required than the upward tendency of Indians which continued since Tuesday last and this fact has had its sympathetic effect on our market.

In our opinion it looks as if we had seen the best of the boom, especially considering that the domestic mills are well supplied with the raw material for at least three months or more.

Extracts of Correspondence

Kiangsu Province, May 28:—The weather conditions during the past seven days have continued favorable. All farm work has made great strides; planting is very nearly completed, and probably 75 percent of the cotton planted is up to a stand. Where cotton is up the stands are excellent, and chopping is making good progress.

Chekiang Province, May 28:—Crop preparations have made good progress in the month of May and planting is about completed. From 60 to 80 percent of the crop planted is up, looking well, and is being chopped out.

Chihli and Shantung Provinces, May 26:—The crop prospects throughout these two provinces are at present very flattering. Weather conditions have been very favorable, and the farmers have been working with a will to get their seed in the ground. The good rains in the past have caused the early planted cotton to germinate rapidly; coming up to an excellent stand. A few good showers will bring up the remainder.

Shensi Province, May 23:—In this territory general conditions are unusually good. We have had refreshing showers, and will have no complaint along this line. More care has been devoted to the preparation of the land which is in excellent condition. About one-third of crop up, looking well.

Yarn.—We make the undertone easier. Trading during the week was principally between Speculators, the trade taking care of their deliveries which to-date is very healthy.

U. S. CROP ESTIMATE

Board of the Bureau of Crop Estimates of the United States Department of Agriculture gives the Condition of the Cotton Crop at

66.00 percent of normal, as compared with 62.4 last year.

Liverpool, May 27, 1921.

Liverpool Market:—

Egyptian Fully Good Fair Sakellaridis	16.50	Pence
M. G. Fine Scinde and Bengal	5.15	,,
Good Middling American, Spot	7.62	,,
,, ,, ,, July	8.37	,,
,, ,, ,, October	8.68	,,

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Market :—*Steady.*

New York, June 2, 1921.

New York Market :—

July	12.67	Cents
October	13.43	,,
December	13.84	,,
Spot	12.85	,,

Market :—*Steady.*

Bombay, June 2, 1921.

Bombay Market :—

Broach, F. G. July/August	Rps.	349	per Khandy
Fully Good Bengal, July	,,	252	,, ,,
Fine Oomra, July	,,	303	,, ,,

Market :—*Strong.*

Shanghai Market :—

Tungchow Spot ex. Wharf	Tls.	26.00
Shanghai	,,	25.50
,, M-ginned,	,,	25.00
Taichong	,,	26.00

Tone of the Market :—*Firm.*

Weekly Silk Market Report

By Villa Brothers

Yokohama : The Yokohama market is reported firm. The demand is chiefly for America and preference is shown for the New Season silk rather than for Old Season lots at lower prices. Shipments to America and Europe are as follows :

Season 1920—1921 (July 1—May 26)		150,000
1919—1920 (,,)		231,000
1918—1919 (,,)		210,000

Shanghai : The China Steam Filature market continues in a very uncertain condition. Many Filatures remain closed on account of the inability of Owners to obtain the necessary capital for the purchase of cocoons and running expenses. The uncertainty of the cocoon market coupled with the desire for speculation has tended to make quotations very firm. There is a little enquiry but pretentions of Dealers have so far effectively checked business.

Tsatlees : Are very firm owing to the brisk demand for native consumption. Quotations for export business are prohibitive and very little interest is shown by American buyers.

Tussah : Are again slightly firmer on account of limited buying for Japan.

China Steam Filatures, Grand Extra Chops	Tls.	1250
,, ,, ,, Extra Chops	,,	1150
,, ,, ,, Medium Chops	,,	1050
Tsatlee Improved Reel Best Chops	Tls.	870
,, ,, ,, Market Chops	,,	820
Tussah Best Chops	Tls.	510
,, Market Chops	,,	490

What the Ships Carry Between America and China

(Taken from the Daily Returns of the Shanghai Customs from Wednesday, May 18, to May 26, 1921)

(Key: Pls.—1 Picul or 133 1/3 pounds; Bls.- Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Taels, Customs Rate April Tael 1.46 equal $1. Gold.

S. S. Knig't Companion, May, 10

To Boston.

Skins, Goat, Untanned	Pcs	117,838

To New York.

Antimony Regulus	Pls.	84
Bristles	,,	154
Hair, Horse	,,	120
,, Human	,,	200
Hides, Cow	,,	1,121
Oil, Wood	,,	423
Skins, Goat, Untanned	Pcs.	31,000
Skin Mats, Dog	,,	13,500

S. S. Ecuador, from U. S. A., April 28

Lemons, Fresh	Pcs.	115,504
Scales	,,	4
Dyed Cotton Voiles	Yds.	480
Woollen Serges	,,	120
Iron and Steel: Channels	Pls.	294
Canned Fruits	,,	17
Coffee	,,	11
Hops	,,	1
Leather, Calf	,,	3
Oranges, Fresh	,,	131
Paints, Unclassed	,,	4
Paper, Cardboard	,,	1,501
Ink, Printing	,,	227
Oil, Engine	Galls.	34,046

S. S. Suwa Maru from U. S. A., April 28

Motor-cars	Pcs.	1

S. S. Panama, May 12

To San Francisco.

Iron, Hig	Pls.	840
Tallow, Vegetable	,,	840

S. S. Bowes Castle, from U. S. A., May 3

Cotton Canvas, for Sai's	Yds.	9,517
,, Piece Goods, Unolassed	,,	637
Woollen Serges	,,	1,527
Iron Bars	,,	24
,, Pipes and Fittings	,,	120
,, Rails	,,	395
,, Screws	,,	6
Iron Galvanized: Wire Shorts	,,	280
Bronze Powder	,,	30
Calcium, Carbide of	,,	165
Glue	,,	8
Paints, Unclassed	,,	27
Paper, Blotting	,,	26
,, Book-cover	,,	784
,, Printing	,,	71
,, Writing	,,	361
,, Unclassed	,,	54
Tobacco, Leaf	,,	4,555
Wax, Paraffin	,,	1,476
Canned Meats	Doz.	148
Grape Juice	,,	306
Rum	,,	300
Shirts	,,	182
Cotton Thread, on Spools, 2 cord, 200 yd. Gross	Gross	129
Cotton Webbing	,,	106
Clocks	Pcs.	572
Machines, Sewing	,,	108
Oilcloth	,,	840
Safes	,,	32
Typewriters	,,	98
Cigarettes	Mille	3,250
Machinery	Hk.Tls.	99,249

S S. Tsushima Maru, May 17

To San Francisco.

Oil, Wood	Pls.	30
Skins, Doe	Pcs.	5,000

To Boston.

Skins, Goat, Untanned	Pcs.	114,590

To New York.

Tea, Black, Hankow	Pls.	65
,, ,, Kiukiang	,,	149
Tea, Green:		
Gunpowder, Ningpo	,,	1,282
,, Kiukiang	,,	17
Young Hyson, Kiukiang	,,	89
Antimony Regulus	,,	1,680
Bristles	,,	145
Cotton Waste	,,	24
Egg Albumen, Dried	,,	608
,, Yolk, Dried	,,	1,121
Hides, Cow	,,	875
Intestines, Pig	,,	49
Oil, Wood	,,	840
Straw Braid, White	,,	153
Walnuts, Kernels	,,	75
Wool, Sheep's	,,	1,103
Skins, Doe	,,	10,200
,, Goat, Untanned	,,	167,569
,, Weasel	,,	30,000
Hats, Rush	,,	18,000

S. S Toba Maru, from U. S. A., May 5.

Cotton, Yarn-dyed	Yds.	1,365
Paper, Cigarette, on Bobbins	Pls.	631
,, Enamelled	,,	546
,, Strawboard	,,	2,612
,, Unclassed	,,	288
Machine, Sewing	Pcs.	192
Motor cars	,,	1
Shoes	Pairs.	323

S. S. West Kader, from U. S. A., Mry 5.

Bedsteads	Pcs.	132
Cylinders	,,	100
Ammonia, Anhydrous	Pls.	114
Glue	,,	2

S. S. Standard Arrow, from U. S. A., May 5.

Iron Drums	Pls.	1,700

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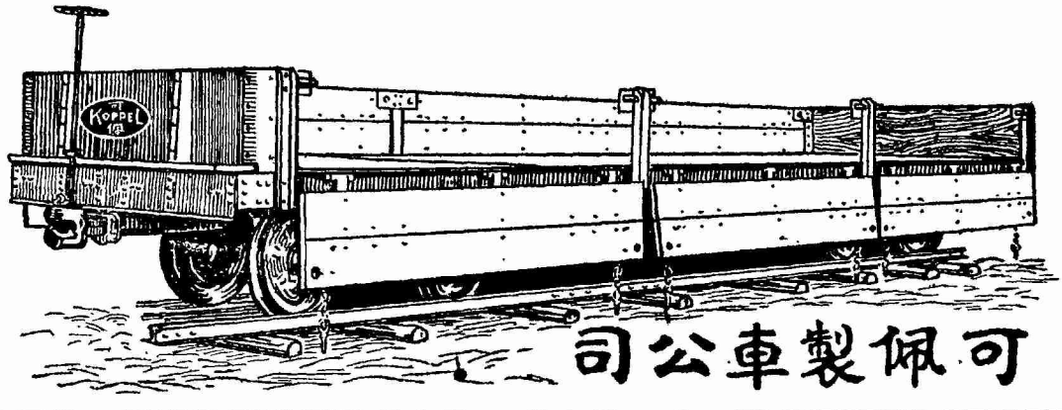

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New Books and Publications

Modern Men and Political Thought

"Men And Thought In Modern History," by Ernest Scott, Professor of History in the University of Melbourne. Melbourne: Macmillan: 1920.

WE are not at all sure for what kind of readers this book was written. The author tells us that the book "grew out of a practical need which the writer experienced for a series of short explanations of some typical modes of political thought illustrating what may be figured as the background of modern history." His method of meeting this need has been "to take a leading thinker or statesman representing a distinct school or point of view to expound the ideas which he taught or upon which he acted and to connect with this biographical nucleus cognate systems of thought." The leaders and ideas chosen for exposition and comparison range from "Rousseau and Human Rights," "Napoleon and Efficiency in Government," and "John Stuart Mills and Economics" to "Gladstone and Liberalism," "Woodrow Wilson and the League of Nations," and "H. G. Wells and Futurism." The idea is a good one, and if the plan had been ably carried out it might have resulted in a real contribution to historical interpretation. The treatment throughout is so slight, however, and its critical value so negligible that the work as a whole is neither stimulating nor particularly informing. Some one has said of John Fiske that the historians thought him at his best as a philosopher, while the philosophers valued him most as a historian. We fear that readers of Professor Scott's book will reach equally diverse conclusions.

"The Practical Book Of Oriental Rugs," by G. Griffin Lewis. Fifth edition, with additional plates Lippincott: New York; 1921.

THIS excellent book has already proved its worth, and is now reissued with sixteen new color plates and a very interesting preface on the changes wrought by the war upon the making of rugs. The author advises those who have good Oriental rugs to keep them, and those who ever hope to possess any to get them now, even at the advanced cost, "for they will surely grow more scarce and higher in price." The pictures, and especially the colored picture, is of surpassing value in a book on rugs, no matter how specific the directions in the text, and therefore the revision upward of the colored plates in Mr. Lewis's book is especially to be commended.

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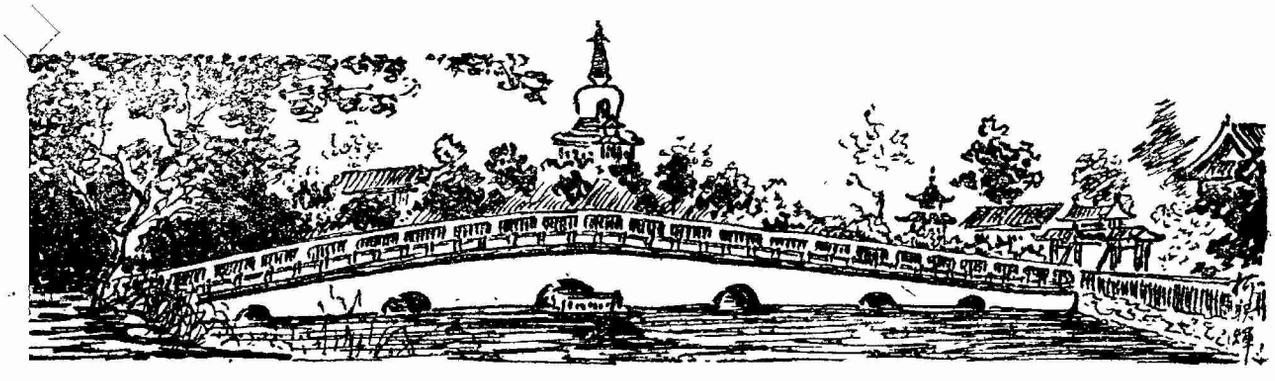

Outline for the Study of Current History, Finance and Commerce of China

by

H. F. MacNair, M. A.,

Professor of History, St. John's University

and

C. F. Remer, M. A.,

Professor of Economics, St. John's University

This outline, primarily for the use of middle schools and colleges, is based upon the Review for last week. It is not intended that the whole of the outline be used but that those topics be selectea that are found to be adapted to the class.

1. International Affairs

Topic 1: Chinese-German Trade Agreement.

References: Pp. 6-8.

Questions: 1. When were friendly relations between China and Germany broken off? Why? 2. Is the new trade agreement of more than Commercial importance? 3. When was the new agreement made? 4. What is the meaning and importance of the reference to German Consular jurisdiction? 5. What and where is the German "glacis"? 6. What arrangement is made for law cases in which Germans are concerned? 7. Has the Agreement been ratified as yet? In what does ratification consist?

Topic 2: An American Hero in China?

References: Pp. 8-10,32,34.

Questions: 1. Who was the hero, and how old was he when he died? 2. What was, and what was the cause of the Taiping Rebellion? 3. Why was Ward's force Imperially designated as the Ever Victorious Army? 4. Name the advantages to China of Ward's work. 5. How was Ward repaid by the Chinese and Manchus for his work?

Topic 3: Vladivostok Affairs, and the Japanese in Siberia.

References: Pp. 1-2,24,26,28.

Questions: 1. Where is Vladivostok, and what is its strategic significance? 2. Why is Japan so interested in this place? 3. Who is the new head of the "government" of Vladivostok? 4. Why are his relations with Semenoff of importance? 5. What is the argument given for joint intervention (if any) in Siberia? 6. How do the interests of America and Japan in Siberia differ?

Topic 4: Anglo-American Responsibilities in the Far East.

References: Pp. 20,22,24.

Questions: 1. Is the first sentence in this article entirely correct? 2. What are the writer's comments on the Anglo-Japanese Alliance? 3. What does he advocate in reference to the Alliance and the Lansing-Ishii agreement? 4. What is said as to foreign "special interests" in China? 5. What is advocated in reference to Anglo-American relations?

2. Domestic Affairs

Topic 1: The New Chief of the Railway Department of the Ministry of Communications.

References: Pp. 3.

Questions: 1. Who is the new Minister of Communications? 2. What has Dr. Wang's previous position been? 3. How has his appointment to be railway chief affected the opinion of the new Minister of Communications? 4. Who is Mr. C. S. Liu? 5. What is the importance of the Ministry of Communications? 6. How did Messrs. Tseng Yu-chun, and Hsu Shih-yin distinguish themselves Ministers of Communications?

3. Commerce and Finance

Topic 1: The Trade of China 1920

References: Pp. 11-15.

Questions: 1. What was the total of China's direct foreign trade in 1920, in 1919, in 1913? 2. Why is 1913 used for comparison instead of 1918? 3. What is meant by an unfavorable balance? 4. Can you name any items that are not found here that must be included in making a complete balance for China? 5. Can you see any results of the boycott of Japanese goods in these figures? 6. Make a list of the countries that sold more to China than they bought from China in 1920 and another list of the countries that bought more than they sold. Can you think of any explanation? 7. Explain the statement that the trade of 1920 was satisfactory from the revenue-collecting point of view, but not from the point of view of business prosperity. 8. What do you think is indicated by increasing seizures of opium by the customs? 9. What is indicated by the importation of machinery into China? 10. Explain the increasing demand for electrical machinery. 11. Under "sundries" mark the commodities that show a great increase or decrease and try to explain the change; for example, matches and raw cotton. 12. What two reasons for the steady decline in the tea trade are given? 13. What city is the center of the trade in beans and bean oil? 14. Where does Chinese bean cake and bean oil go? 15. Why is bean cake of such importance to the Japanese? 16. To what places are cereals sent from China?

Topic 2: China's Progress in Industry

References: Pp. 52-55.

Questions: 1. Locate Harbin on the map. 2. Is it an old or a new city? 3. What gives Harbin its industrial importance? 4. Both Shanghai and Harbin have flour mills. Which city do you think has the greater future in this industry? 5. Why are both cloth and hemp sacks needed in Harbin?

Topic 3: Loans and Natural Resources.

References: Pp. 15-16.

Questions: 1. What does the writer consider the most pressing need in China? 2. What has prevented China from satisfying this need in the past? 3. What is shown by the case of the antimony industry? 4. By the case of the wolfram industry? By the Kirin-Heilungkiang Forestry loan? 4. How does the writer propose to satisfy this need of China? 5. Do you agree with him?

The United States Court for China

(Established by Act of Congress of June 30, 1906).

JUDGE, Charles S. Lobingier.
DISTRICT ATTORNEY, Chauncey P. Holcomb.
COMMISSIONER, Ferno J. Schuhl.
ACTING CLERK
MARSHAL,
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All Notices, Announcements, Judgments, Orders and other Proceedings appearing in this department of MILLARD'S REVIEW may be accepted as authentic.

Motion Day.

All contested motions and demurrers will hereafter be heard on Mondays, beginning at 3 P. M.; provided notice thereof with proof of service on the adverse party or his attorney shall have been filed in the Clerk's office by 1 P. M. of the preceding Saturday.

Minutes of Recent Proceedings

Hearings:

June 3, 1921, Cause No. 1355, U. S. v. Gehebe; plea of guilty.

" 4, " (Consular Court, District of Tientsin), In re Albert V. Cook's Estate; ou application for authority to pay claims and sell property.

" 6, " " " 1384, King v. A. O. Anderson & Co.; on application for restraining order; testimony taken of plaintiff and witness Patterson; submitted.

" 7, " " " 1238, In re William S. Cormack, Jr's. Estate; on petition for letters of administration.

(Before Coroner and Jury)

June 7, 1921, Cause No. 1386, In re Coroner's Inquest over Franc Jackola; testimony taken of Mellows and Wright.

(Before the Commissioner)

June 8, 1921, Cause No. 1387, U. S. v. Bigham; testimony taken of See, Dong, Sing, Wilson and defendant.

IN H. B. M. SUPREME COURT FOR CHINA AND COREA

HSIN CHONG HONG v. CH. GOLDREI FOUCHARD & SON

(No. 99, Index Letter H., Year 1920; decision March 11, 1921)

SYLLABUS.

(By the Editor)

1. **SET-OFF** may be pleaded against a foreign plaintiff in British Extraterritorial Courts only when arising out of substantially the same transaction as the claim.
1. ID.: SET-OFF in question held not to arise thus, tho conveniently triable with the claim.
3. ID.: WORDS AND PHRASES: SET-OFF in technical English procedure is not included in the terms "cross-action" or "counter claim," but is indistinguishable from the latter as used in some decisions.
4. ID.: ID. Sums awarded in arbitration proceedings are liquidated.

H. P. Wilkinson, Esq., for plaintiffs,
H. L. Ward, Esq., for defendants.

TURNER, J:

This is a motion to strike out certain paragraphs in a defence, which, owing to the extreme importance of the matter, has been argued in open Court. I am much indebted to Mr. Wilkinson and Mr. Ward for the help they have given me and for the careful way in which their respective cases were argued.

The action is for the price of goods-70 casks Duck Albumen sold and delivered by the plaintiffs, a Chinese Hong, to the defendants, a British firm. For the purposes of their claim the plaintiff have filed a written submisson to the jurisdiction of the Court and have paid into Court $ 250 as security for costs, in accordance wioh the provisions of the Order in Council and our practice thereunder. Substantially the defence is that the defendants sold the consignment for account and risk of the plaintiffs; but in addition the defendants plead that there is due and owing to themselves from the plaintiffs a sum in excess of the claim in respect of awards in certain arbitrations held in London over a previous contract for the sale of Hen Yolk by the plaintiffs to the dfendants, and they seek to *set off* that sum, or so muceh of it as amounts to the plaintiffs' claim, as against it.

As appears from a letter written to the defendants' legal practitioner by the plaintiffs' legal practitioner, dated February 3, 1921, it is contended that the matters in dispute over that contract were never "duly" referred to arbitration and, therefore, no sum can be due in respect of the alleged awards. It is also claimed that there is no right of set-off at all, On learning of the points taken by the plaintiffs, the defendants took out a summons for a commission to England and on my suggestion this has been adjourned *sine die* in order that the plaintiffs might take out this motion to decide the question of the right of set-off in a mixed case in this Court. And this is clearly right procedure, for under Order 19, Rule 3, an application to exclude a set-off or counter-claim must be made "before trial." This motion was fully argued before me on the mornings of February 21, 22, and 23 last, and I will try and summarize the contentions advanced.

Judgments and Orders :

June 4, 1921, Cause No. 1355, U. S. v. Gehebe; sentence.

" 4, " (Consular Court, District of Tientsin); In re Albert V. Cook's Estate; order authorizing payment of claims and sale of property.

" 7, " " " 1384, King v. A. O. Anderson & Co.; restraining order.

" 7, " " " 1238, In re William S. Cormack Jr's. Estate; order for letters of administration.

(By the Commissioner)

June 2, 1921. Cause No. 1382, U. S v. Gehebe; order of commitment to the United States Court for China.

" 5, " " " 1381, U. S. v. Trickey; dismissal.

" 8, " " " 1387, U. S. v. Bigham; fine of $25.00 and costs.

(By Coroner's Jury)

June 7, 1921, Cause No. 1386, In re Coroner's Inquest over Franc Hackola; verdict of accidental drowning.

Assignments for Hearing

June 10, 1921, 9:30 A. M., Cause No. 1320, Quelch v. Crawley.

Miscellaneous Filings:

June 2, 1921, Cause No. 1300, Shaw vs. Rea & Gallagher; answer of defendant Rea.

" 3, " " " 1303, Neugent vs. Neugent; answer and cross bill.

" 3, " " " 1300, Shaw vs. Rea & Gallagher; answer of defendant Gallagher.

" 3, " " " 1384, King vs. A. O. Anderson & Co.; petition; summons issued.

" 3, " " " 1385, U. S. vs. Gehebe; information.

" 4, " " " 1384, King vs. A. O. Anderson; notice of motion.

" 4, " " " 935, Dokoutchaeff vs. China & Mongolia Export Co.; answer.

" 4, " " " 1355, U. S. vs. Gehebe; final commitment.

" 6, " " " 1384, King v. A. O. Anderson & Co.; affidavit.

" 6, " " " 1032, L. Van der Stegen etc. vs. Neuss Hesslein Co., answer; exception.

" 6, " " " 920, In re Francis Butler Shaw's Estate; affidavits.

" 6, " " " Articles of Incorporation of American Asiatic Underwriters Inc.

" 6, " " " 1238, In *re* Cormack's Estate; letters of administration.

It is first urged that there is no right of set-off at all in a mixed case in this Court; that neither "cross-actions" nor "counter-claims" are allowed [1] save by consent and that set-off is included in those words. Then it is argued that if allowed the sum sought to be set-off must arise substantially out of the same transactions as the claim; thirdly that set-off is allowed in English procedure in respect only of a liquidated sum and that sums awarded in an arbitration are not liquidated; and lastly (tho some objection was taken to the use of this point as not being within the terms of the notice of motion) that the alleged set-off should be excluded under the discretion vested in the Court by Order 19, 2, 3, as it cannot conveniently be tried with the claim.

I can dispose of some of these points shortly. I have no doubt that sums awarded under a submission to arbitration are liquidated.[2] If ever there is a "liquidated" debt it is the sum awarded in an arbitration. Of course this does not preclude the party apparently liable from raising any defence that may be open to him-e. g. that there was no proper submission, that the arbitrator exceeded his jurisdiction or misconducted himself. But the sum awarded is clearly a liquidated one and therefore may be the proper subject of "set-off" in English law and procedure.

Then it has been decided [3] in this Court that "set-off" in its highly technical meaning in English procedure is not included in the words "cross-action" or "counterclaim" in Article 151 (3) of our Order in Council. I am not sure that is right. I think it is at least arguable that "counter claim" (for set-off is clearly not a "cross-action") means what it says only "a claim raised against the plaintiff's claim"; and does not refer to our system of pleading at all. It must be remembered that a cross-action was in old days the only remedy at Common Law for a defendant to raise his cross claim when sued. Then came the technical plea of "set-off" allowed – a liquidated debt can be pleaded against a liquidated debt only – a technical plea, I call it, which would never be understood in a Chinese Court and is not the rule even in the American Court [4] here in China. A "counter-claim" is practically a cross-action and the Court here, under our Rule 161 and in England, will give judgment both on the claim and counter-claim in the same proceedings, even for the defendant if the balance is in his favour. There is, therefore, now no need for a defendant to raise his claim by way of a cross-action, for he is allowed to do so by way of counter-claim, unless its nature is such that it cannot conveniently be

1. Order in Council, Article 151 (3)
2. The case of Swayne v. White (L. J. 31. Q. B. 260) clearly shows this and if it were necessary to go beyond I would refer to the forms of pleading given in Bullen & Leake (3rd Ed) 71; also to our Rule 216 (4) under which an award can be filed in this Court and if not objected to in 14 days has the effect of a judgment and execution can issue thereon.
3. Wu v. Bennertz, 79 N. C. Herald, 577 (1906).
4. Re Consular Jurisdiction in Japan, I Extraterritorial Cases, 27; Hillebrandt v. v. Zimmerman, 1 Extraterritorial Cases, 88; King Ping Kee v. American Food Mfg. Co., Id. 735; Ring Mow Zu vs. Wilkins Bros. & Co. Inc., 2 Id. 66. ED.

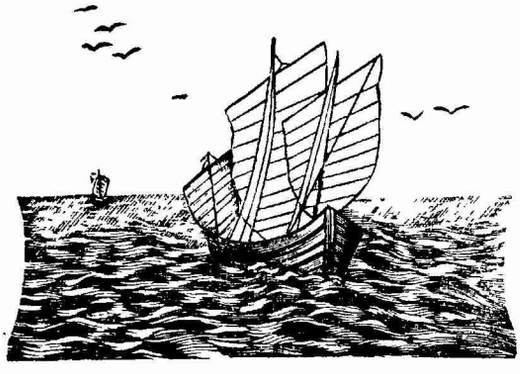
June 6, 1921, Cause No. 1300, Shaw vs. Rea & Gallagher; appearance of F. J. Schuhl instead of P. M. Linebarger for defendant Gallagher.

,, 6, ,, ,, ,, 1320, Quelch vs. Crawley; motion.

,, 8, ,, ,, ,, 1387, U. S. vs. Bigham; complaint.

,, 8, ,, ,, ,, 1379, The Chinese American Bank of Commerce vs. Reid's Ltd.; Marshal's return of summons.

,, 8, ,, ,, ,, 1384, King vs. A. O. Anderson & Co.; exception; notice of appeal.



tried by the same tribunal or at the same time as the plaintiff's claim.

I come now to the proposition that a matter of set-off must arise out of the same transaction or transactions as the claim. First of all, I find no authority for that proposition in the decided cases at home. In one [5] Quain J. allowed a set-off or counterclaim to proceed under Order, 19, Rule 3, the claim being on one contract and the counterclaim on another. Kay J., afterwards L. J., later [6] laid it down that a counterclaim was not confined to matters arising out of the same transaction as the claim, tho in that case he refused to allow a counterclaim to proceed as its trial would unduly delay the trial of the action proper. In the last case [7] I have traced, brought in the Chancery Division to obtain the appointment of a new trustee, the defendant sought to counterclaim for damages for libel and the Court of Appeal refused to allow it, saying that the position had only to be stated to answer itself and that the trial of the issues would necessarily be piecemeal if such a plea were allowed to remain on the record. It is true that most if not all the cases reported in England are on the question of a counter-claim; but I see nothing to lead me to think that other considerations would apply to set-off. In my opinion therefore this condition is not part of the Law of England as applied there.

5. Cappeleus v. Brown, W. N. 231 (1875.)
6. Gray v. Webb, 21. Ch. Div., 802.
7. South African Republic v. Compagnie Franco-Belge du Chemin de Fer du Nord 1897, 2. Ch. 487.

(To be Continued Next Issue)

Chinese Government Railways

Approximate Return of Traffic for the period from February 10 to February 20, 1921

Name of Line	Passenger Revenue	Goods Revenue	Sundries	Total Revenue	Compared with same period last year Increase	Compared with same period last year Decrease	Accumulated Total Since Jan. 1 Present year	Compared with same period last year Increase	Compared with same period last year Decrease	Compared with same period last year Percentage of In. or Dec.	Traffic train miles run Accumulated Total Since Jan. 1	Compared with same period last year Increase	Compared with same period last year Decrease	Compared with same period last year Percentage of In. or Dec.
	$	$	$	$	$	$	$	$	$	%	$	Miles	Miles	%
Peking-Hankow	147658	268197	216	416071	.....	50577	2964289	.....	494212	-16.67	570338	3540	.....	0.62
Peking-Mukden	230631	473058	492	704181	301923	.....	3551769	676776	.....	19.06	.....	.....	.....	.....
Tientsin-Pukow	157721	247308	7975	413004	50047	.....	2215218	151414	.....	6.83	.....	.....	.....	.....
Peking-Suiyuan	26429	112319	5656	144404	2849	.....	788398	.....	244024	-30.95	169583	19689	.....	11.61
Shanghai-Nanking	126242	43825	3362	173429	22979	.....	921366	132128	.....	14.66	211043	5190	.....	2.46
Shanghai-H-Ningpo	57246	10031	990	68267	8687	.....	379318	50599	.....	13.34	109501	1310	.....	1.19
Cheng-Tai	16444	61860	107	78411	.....	7639	484724	.....	177065	-36.53	95026	.....	16229	-17.07
Canton-Kowloon	34804	3279	700	38783	10309	.....	190202	43665	.....	22.95	36710	.....	771	-2.10
Kirin-Changchun	12184	67727	342	80253	30803	.....	409636	72539	.....	17.69	62152	5775	.....	9.29
Taokow-Chinghua	4967	16894	263	22124	1671	.....	102336	.....	23257	-22.73	26667	.....	3857	-14.46
Chuchow-Pinghsiang	880	5182	.....	6062	.....	2845	36142	.....	45478	-125.83	10348	.....	15192	-146.84
Canton-Samshui														
Changchow-Amoy	565	30	245	840	178	.....	3435	888	.....	25.84	3092	2495	.....	80.69
Kaifeng-Honan	21171	14731	832	36734	3338	.....	223513	8677	.....	38.79	40311	937	.....	2.32
Wuchang-Changsha	13347	17345	.....	30692	.....	4453	164915	.....	73093	-44.32	64683	26626	.....	41.16
Ssu-Tao	4816	7657	26	12499	.....	10633	87440	.....	38315	-43.81	11522	.....	5016	-44.32
TOTAL	855105	1349443	21206	2225754	356637	.....	12522701	41242	.....	-3.29	1410976	24497	.....	1.73

H. H. CHENG
Chief of Railway Department, Ministry of Communications